

AMENDED IN SENATE JUNE 12, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1466

Introduced by Committee on Budget (Skinner (Chair), Bloom, Campos, Chesbro, Dababneh, Daly, Dickinson, Gordon, Jones-Sawyer, Mullin, Muratsuchi, Nazarian, Rodriguez, Stone, Ting, and Weber)

January 9, 2014

~~An act relating to the Budget Act of 2014.~~ *An act to amend Section 12025 of the Fish and Game Code, to amend Sections 8574.4, 8574.7, 8574.8, 8670.2, 8670.3, 8670.5, 8670.7, 8670.8, 8670.8.3, 8670.8.5, 8670.9, 8670.12, 8670.14, 8670.19, 8670.25, 8670.25.5, 8670.26, 8670.27, 8670.28, 8670.29, 8670.30.5, 8670.31, 8670.32, 8670.33, 8670.34, 8670.35, 8670.36, 8670.37, 8670.37.5, 8670.37.51, 8670.37.52, 8670.37.53, 8670.37.55, 8670.37.58, 8670.40, 8670.42, 8670.47.5, 8670.48, 8670.48.3, 8670.49, 8670.50, 8670.51, 8670.53, 8670.54, 8670.55, 8670.56.5, 8670.56.6, 8670.61.5, 8670.62, 8670.64, 8670.66, 8670.67, 8670.67.5, 8670.69.4, and 8670.71 of, to add Sections 8670.7.5, 8670.40.5, and 8670.95 to, and to repeal Section 8670.69.7 of, the Government Code, to amend Section 449 of the Harbors and Navigation Code, to amend and repeal Sections 116760.60, 116761.21, 116761.22, 116761.24, and 116761.80 of, and to amend, repeal, and add Sections 116760.10, 116760.20, 116760.30, 116760.39, 116760.40, 116760.42, 116760.43, 116760.44, 116760.46, 116760.50, 116760.55, 116760.70, 116760.79, 116760.80, 116760.90, 116761, 116761.20, 116761.23, 116761.40, 116761.50, 116761.60, 116761.62, 116761.65, 116761.70, 116761.85, 116762.60, and 131110 of, and to add Section 116271 to, the Health and Safety Code, to amend Sections 541.5, 2705, 3160, 3161, 4629.5, 4629.6, 4629.7, 4629.8, 5009, 5010.6, 5010.6.5, 5010.7, 14507.5, 14552, 14581, 21190, 31012, 42476, 42872.1, 42885.5, 42889,*

48653, and 71116 of, to add Sections 14581.1 and 30821 to, to add Division 12.5 (commencing with Section 17000) to, and to add and repeal Article 1.5 (commencing with Section 5019.10) of Chapter 1 of Division 5 of, the Public Resources Code, to amend Sections 379.6 and 1807 of the Public Utilities Code, to amend Sections 46002, 46006, 46007, 46010, 46013, 46017, 46023, 46028, and 46101 of, to add Section 46001.5 to, to repeal Sections 46008, 46014, 46015, 46016, 46019, 46024, and 46025 of, and to repeal and add Sections 46011, 46018, and 46027 of, the Revenue and Taxation Code, to amend Section 5024 of the Vehicle Code, and to amend Sections 10783 and 13272 of, to amend, repeal, and add Sections 174, 13350, 13478, and 13485 of, and to add Section 13528.5 to, the Water Code, relating to public resources, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 1466, as amended, Committee on Budget. ~~Budget Act of 2014.~~
Public Resources: trailer bill.

(1) Existing law imposes an assessment on a person who purchases from a retailer a lumber product or an engineered wood product for the storage, use, or other consumption in this state. Existing law requires the retailer to collect the assessment from the person at the time of sale and authorizes the retailer to retain an amount, as determined by the State Board of Equalization via emergency regulations, for any costs associated with the collection of the assessment. Existing regulations, adopted by the state board at its September 10, 2013, meeting, provide that a retailer may retain no more than a total of \$735 per location as reimbursement for startup costs associated with the collection of the assessment.

This bill would codify the above regulations adopted at the September 10, 2013, state board meeting. The bill would delete the emergency regulatory authority granted to the state board, for purposes of determining the reimbursement amount.

Existing law establishes the Timber Regulation and Forest Restoration Fund in the State Treasury, and requires that all revenues received from the assessments, less amounts deducted for specified refunds and reimbursements, be deposited into the fund and expended, upon appropriation, only for specified purposes including, among other things, to fund existing forest restoration grant programs.

This bill would require, with respect to the existing forest restoration grant programs funding, that priority be given to the Fisheries Restoration Grant Program administered by the Department of Fish and Wildlife and to grant programs administered by state conservancies. The bill would also, until July 1, 2017, authorize the revenue in the fund to be used to provide loans to the Department of Fish and Wildlife for activities to address environmental damage occurring on forest lands resulting from marijuana cultivation, as provided. The bill would prohibit the use of moneys from the General Fund to repay the loans.

(2) Existing law imposes various civil penalties for a violation of specified provisions of the Fish and Game Code in connection with the production or cultivation of a controlled substance, as defined, on land under the management of specified state and federal agencies or within the ownership of a timberland production zone as prescribed. Existing law requires all civil penalties collected to be apportioned as provided, including 40% of the funds to be distributed to the agency performing the cleanup or abatement of the cultivation or production site.

This bill, among other things, would also impose various civil penalties for a violation of those specified provisions of the Fish and Game Code in connection with the production or cultivation of a controlled substance on land that the person owns, leases, or otherwise uses or occupies with the consent of the landowner. The bill would require all civil penalties imposed or collected by a court to be apportioned as provided, including 40% to the Timber Regulation and Forest Restoration Fund.

This bill would also authorize the Department of Fish and Wildlife to impose those civil penalties administratively for those violations of the Fish and Game Code, subject to specified requirements relating to the complaint and hearing procedures, among other things. The bill would authorize the department to adopt regulations to implement these provisions and would require the penalties collected to be apportioned in a specified manner.

(3) The Lempert-Keene-Seastrand Oil Spill Prevention and Response Act generally requires the administrator for oil spill response, acting at the direction of the Governor, to implement activities relating to oil spill response, including emergency drills and preparedness, and oil spill containment and cleanup, and to represent the state in any coordinated response efforts with the federal government. Existing law directs the Governor to require the administrator to amend, not in conflict with the National Contingency Plan, the California oil spill

contingency plan to add a marine oil spill contingency planning section containing specified elements, including an environmentally and ecologically sensitive areas element. Existing law also requires the administrator to adopt and implement regulations governing the adequacy of oil spill contingency plans to be prepared and implemented and requires the regulations to provide for the best achievable protection of coastal and marine waters. Existing law imposes various criminal and administrative civil penalties on a person that violates specified provisions of the act based on whether it was an oil spill or an inland oil spill.

This bill would generally expand the act and the administrator's responsibilities relating to oil spills to cover all waters of the state, as defined. By expanding the scope of crimes within the act, the bill would impose a state-mandated local program. The bill would direct the Governor to require the administrator to amend the California oil spill contingency plan to provide for the best achievable protection of all state waters, not solely coastal and marine waters, and to submit the plan to the Governor and the Legislature on or before January 1, 2017. The bill would require the regulations to provide for the best achievable protection of all waters and natural resources of the state. The bill would deem the adoption of regulations by the administrator and the State Board of Equalization an emergency for the purposes of the amendments made by this act. The bill would authorize the emergency regulations adopted by the administrator to be in effect for 12 months or until the administrator readopts those regulations, whichever is earlier. The bill, for purposes of administrative civil penalties, would no longer distinguish between an oil spill and an inland oil spill, subjecting all persons to the oil spill provisions. The bill also would revise various definitions within that act, and would make other conforming and technical changes.

Existing law requires the administrator, upon request by a local government, to provide a program for training and certification of a local emergency responder designated as a local spill response manager by a local government with jurisdiction over or directly adjacent to waters of the state.

This bill would make the program optional at the discretion of the administrator.

Existing law requires the administrator to offer grants to a local government with jurisdiction over or directly adjacent to marine waters to provide oil spill response equipment to be deployed.

This bill would instead authorize the administrator to offer the grants to a local government with jurisdiction over or directly adjacent to state waters.

Existing law requires the administrator, within 5 working days after receipt of a contingency plan, prepared as specified, to send a notice that the plan is available for review to the Oil Spill Technical Advisory Committee.

This bill instead would require the administrator, within 5 working days after receipt of a contingency plan, to post a notice that the plan is available for review.

Existing law requires the administrator to establish a network of rescue and rehabilitation stations for sea birds, sea otters, and marine mammals affected by an oil spill in marine waters.

This bill instead would require the administrator to establish a network of rescue, as specified, for wildlife injured by oil spills in waters of the state, including sea otters and other marine mammals. The bill also would authorize the administrator to establish additional stations or facilities in the interior of the state for the rescue and rehabilitation of wildlife affected by inland spills.

Existing law imposes an oil spill prevention and administration fee in an amount determined by the administrator to be sufficient to implement oil spill prevention activities, but not to exceed \$0.065 per barrel of crude oil or petroleum products and, beginning January 1, 2015, to an amount not to exceed \$0.05, on persons owning crude oil or petroleum products at a marine terminal. The fee is deposited into the Oil Spill Prevention and Administration Fund in the State Treasury. Upon appropriation by the Legislature, moneys in the fund are available for specified purposes.

This bill would delete the provision that would reduce the fee beginning on January 1, 2015. The bill would additionally impose this fee on a person owning crude oil or petroleum products at the time the crude oil or petroleum products are received at a refinery, as specified, by any mode of delivery that passed over, across, under, or through waters of the state, whether from within or outside the state. The bill would create a rebuttable presumption that crude oil or petroleum products received at a marine terminal or refinery passed over, across, under, or through waters of the state, as specified. The bill would prohibit the State Board of Equalization from accepting or considering a petition for redetermination of fees or a claim for refund of fees if the claim is founded upon grounds the crude oil or petroleum products did

or did not pass over, across, under, or through waters of the state, as specified. The bill would require the amendments made to these provisions by this act to be operative 90 days after the effective date of the act. The bill would authorize the Director of Finance to augment a specified appropriation in the Budget Act of 2014 for the reasonable costs incurred by the State Board of Equalization related to the collection of the oil spill prevention and administration fee, as specified, thereby making an appropriation.

This bill would require every person who operates an oil refinery, marine terminal, or a pipeline to register with the State Board of Equalization.

Existing law imposes a uniform oil spill response fee on specified persons, except specified independent crude oil producers, owning petroleum products and on pipeline operators transporting petroleum products into the state by means of a pipeline operating across, under, or through the marine waters of the state, during any period that the Oil Spill Response Trust Fund contains less than a designated amount. The money in the fund is continuously appropriated for specified purposes, including, to pay for the costs of rescue, medical treatment, rehabilitation, and disposition of oiled wildlife, as specified. Existing law authorizes a person to apply to the fund for compensation for damages and losses suffered as a result of an oil spill in the marine waters of the state under specified conditions.

This bill would delete the fee exception for independent crude oil producers, and would delete the provision authorizing the moneys in the fund to be used to pay for the costs of rescue, medical treatment, rehabilitation, and disposition of oiled wildlife. The bill would additionally impose the fee on pipeline operators transporting petroleum products into the state by means of a pipeline operating across, under, or through any waters of the state, thereby making an appropriation by increasing the amount of moneys deposited into a continuously appropriated fund. The bill would authorize moneys in the fund to be used to respond to an imminent threat of a spill and would additionally authorize a person to apply to the fund for compensation for damages and losses suffered as a result of an oil spill in other waters of the state. By expanding the purposes of a continuously appropriated fund, the bill would make an appropriation.

Existing law, until June 30, 2014, provides that if a loan or other transfer of money from the Oil Spill Response Trust Fund to the General Fund pursuant to the Budget Act reduces the balance of the fund to less

than or equal to 95% of the designated amount, the administrator is not required to collect oil spill response fees if the annual Budget Act requires the transfer or loan to be repaid (A) to the fund with interest calculated at a rate earned by the Pooled Money Investment Account and (B) on or before June 30, 2014.

This bill would extend that date to June 30, 2017, and would provide that these provisions would be repealed on July, 1, 2017.

Existing law establishes the Oil Spill Technical Advisory Committee to provide public input and independent judgment of the actions of the administrator. The committee is composed of 10 members.

This bill would increase the number of members from 10 to 14 and would require the Speaker of the Assembly and the Senate Committee on Rules to each appoint one additional member who has knowledge of environmental protection and the study of ecosystems, and also would require the Governor to appoint two additional members, with one having knowledge of the railroad industry and another having knowledge of the oil production industry.

(4) Existing law requires all cities and counties to collect a fee from each applicant for a building permit, with each fee for Group R occupancies, as defined, assessed at the rate of \$13 per \$100,000, and all other buildings assessed at the rate of \$21 per \$100,000. Those fees are deposited in the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund, for expenditure by the Department of Conservation, upon appropriation by the Legislature, to pay for seismic hazards mapping and for the strong-motion instrumentation program.

This bill would increase the assessed fee for Group R occupancies to \$13 per \$100,000 and would also increase the assessed fee for all other buildings to \$28 per \$100,000. The bill would additionally authorize the department to use the moneys in the fund for the identification of earthquake fault zones in order to assist cities and counties in their planning, zoning, and building-regulation functions.

(5) Existing law authorizes the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation to regulate the drilling, operation, maintenance, and abandonment of oil and gas wells in the state. Existing law requires the division, on or before January 1, 2015, to finalize and implement regulations specific to well stimulation treatments, as defined.

This bill would instead require the division to finalize those regulations on or before January 1, 2015, and would specify that those regulations shall become effective on July 1, 2015.

Existing law requires an operator proposing to perform a well stimulation treatment to apply to the State Oil and Gas Supervisor or a district deputy for a permit to perform the well stimulation treatment. Existing law prohibits additional environmental review or additional mitigation measures for the well stimulation activities if the supervisor determines that activities proposed in the well stimulation permit have met the requirements of the California Environmental Quality Act.

This bill would delete that prohibition.

Existing law requires the State Water Resources Control Board, on or before July 1, 2015, to adopt model groundwater monitoring criteria to assess the potential effects of well stimulation treatments. Existing law provides that monitoring is not required for oil and gas wells if the wells do not penetrate exempt aquifers, as specified.

This bill would instead provide that monitoring is not required if the wells solely penetrate those exempt aquifers.

Existing law requires the state board or a regional water quality control board, on or before January 1, 2016, to begin implementation of regional groundwater monitoring programs based on the model groundwater monitoring criteria. In the absence of the implementation of a regional groundwater monitoring program, existing law authorizes a well owner or operator to develop an area-specific groundwater monitoring program based on the model groundwater monitoring criteria subject to the approval of the state board or a regional board. Existing law requires the well stimulation permit application to contain, among other things, information on a groundwater monitoring plan for the well subject to the well stimulation treatment which may be an existing regional groundwater monitoring program for the vicinity of the well, an existing area-specific groundwater monitoring plan for the vicinity of the well, or a well-specific monitoring plan that has been submitted to the appropriate regional board for review. Existing law authorizes the supervisor or district deputy to approve the permit application if the application is complete.

This bill would authorize the supervisor or a district deputy, in the absence of the implementation of a regional groundwater monitoring program, to approve a well stimulation permit application prior to the approval of an area-specific groundwater monitoring program but would prohibit the commencement of well stimulation treatment pursuant to the permit until the approval of the area-specific groundwater monitoring program. Because a violation of this prohibition would be a crime, this bill would impose a state-mandated local program.

Existing law authorizes the division to allow, until those regulations described above are finalized and implemented, well stimulation activities if specified requirements are met, including a requirement that the division conduct an environmental impact report pursuant to the California Environmental Quality Act. Existing law prohibits that report from conflicting with an environmental impact report conducted by a local lead agency that is certified on or before July 1, 2015. Existing law provides the division with emergency regulatory authority implementing the above purposes. Existing law requires emergency regulations be approved by the Office of Administrative Law.

This bill would revise and recast those requirements and would delete the prohibition regarding the environmental impact report prepared by the division. The bill would prohibit the Office of Administrative Law from disapproving emergency regulations.

(6) Existing law vests with the Department of Parks and Recreation control of the state park system, and provides funds for the support and administration of the department and specified park construction development, repair, and improvement projects. Existing law authorizes the Department of Finance to delegate to the Department of Parks and Recreation the right to exercise specified authority to plan, construct, and administer contracts and professional services for capital outlay projects, as specified. Existing law repeals this authority on January 1, 2019, unless a later enacted statute deletes or extends that date.

This bill would establish the Parks Project Revolving Fund in the State Treasury, and would require, upon the approval of the Department of Finance, except as provided, the transfer to, or deposit in, the fund of all money appropriated, contributed, or made available from any source, including sources other than state appropriations, for expenditure on work within the powers and duties of the department with respect to the construction, alteration, repair, and improvement of state park facilities, as specified.

This bill would make money transferred from state sources for major construction available to the department without regard to fiscal years and irrespective of specified limitations for encumbrance, thereby making an appropriation.

These provisions would become inoperative on a date that is 3 years after the date the Department of Parks and Recreation's authority to plan, construct, and administer contracts and professional services for capital outlay projects is repealed.

Existing law appropriates \$20,500,000 from the State Parks and Recreation Fund to the Department of Parks and Recreation, which is available for encumbrance for the 2012–13 and 2013–14 fiscal years and expended, as specified.

This bill would make the above moneys available for encumbrance until June 30, 2016, and for liquidation until June 30, 2018, thereby making an appropriation.

Existing law requires the Department of Parks and Recreation to develop a revenue generation program as an essential component of a long-term sustainable park funding strategy. Existing law requires the department, on or before October 1, 2012, to assign a two-year revenue generation target to each district under the department's control and authorizes the department to annually amend the revenue target. Existing law requires incremental revenue generated by the revenue generation program to be deposited into the State Parks and Recreation Fund. Existing law requires that revenue generated by the revenue generation program identified as being in excess of the revenue targets be transferred to the State Parks and Revenue Incentive Subaccount.

This bill would require the department, on or before July 1, 2014, and annually thereafter, to assign a revenue generation target to each district under its control. This bill would instead require that revenue generated by the revenue generation program be deposited into the State Parks and Recreation Fund. The bill would require that the moneys be transferred from the fund to the State Parks Revenue Incentive Subaccount to be expended, as specified, thereby making an appropriation.

Existing law establishes the California State Park Enterprise Fund and upon appropriation by the Legislature, makes moneys in the fund available to the Department of Parks and Recreation for specified purposes. Existing law makes the moneys in the fund available for encumbrance and expenditure until June 30, 2014, and for liquidation until June 30, 2016. Existing law authorizes the department to deposit moneys received from private contributions and other public funding sources into the fund.

This bill would extend the time period in which moneys in the fund are available for encumbrance and expenditure to June 30, 2019, and for liquidation to June 30, 2021. The bill would instead authorize the Department of Parks and Recreation to expend moneys in the fund for capital outlay or support expenditures for revenue generation investments in state parks, as specified. The bill would require the

department to prepare guidelines for districts to apply for funds for capital projects. The bill would instead authorize the department to deposit moneys received from private contributions and other public funding sources into the State Parks Revenue Incentive Subaccount.

Existing law establishes, until June 30, 2021, the State Parks Revenue Incentive Subaccount, a continuously appropriated subaccount, and requires the Controller to transfer annually \$15,340,000 from the State Parks and Recreation Fund to the subaccount. Existing law authorizes the Department of Parks and Recreation to expend these moneys for capital outlay projects that are consistent with the mission of the department. Existing law prohibits the Department of Parks and Recreation from expending annually more than \$11,000,000 from the subaccount. Existing law makes the moneys in the subaccount available for encumbrance until June 30, 2019, and for liquidate until June 30, 2016. Existing law require the controller, on July 1, 2026, to transfer any unexpended funds remaining in the subaccount to the State Parks and Recreation Fund.

This bill would extend the time period in which the moneys in the subaccount are available for encumbrance to June 30, 2016, and for liquidation to June 30, 2021. The bill would extend the duration of the subaccount to June 30, 2021, and would require the Controller, on July 1, 2021, to transfer any unexpended moneys in the subaccount to the State Parks and Recreation Fund. The bill would reduce the amount of moneys to be transferred from the fund to the subaccount to \$4,340,000, thereby making an appropriation. The bill would revise and recast provision governing the expenditure from the subaccount to, among other things, authorize expenditures for activities, programs, and projects that increase the Department of Parks and Recreation's capacity to generate revenue and to implement revenue generation programs, thereby making an appropriation.

Existing law establishes the State Park Contingent Fund and requires that moneys derived from gifts, bequests, or county or municipal appropriations or donations be deposited in the fund and used for the improvement or administration of state parks or the acquisition of additional lands and properties, in accordance with the terms of the gift, bequest, appropriation, or donation.

This bill would instead require moneys from contractual agreements, donations, gifts, bequests, or local government appropriations be deposited in the fund and specify that the moneys deposited shall also be used for the maintenance and operation of the state parks, in

accordance with the terms of the agreement, donation, gift, bequest, or local government appropriation. This bill would also make various technical, nonsubstantive changes.

(7) Existing law, the California Beverage Container Recycling and Litter Reduction Act, requires a distributor of specified beverage containers to pay a redemption payment to the Department of Resources Recycling and Recovery for each beverage container sold or transferred to a dealer, for deposit in the California Beverage Container Recycling Fund (beverage fund). Existing law annually appropriates from the fund, among other things, \$15,000,000, adjusted for cost of living, to the department, for grants to certified community conservation corps and community conservation corps for beverage container litter reduction programs and recycling programs, subject to reduction if the department determines there are insufficient funds. Under existing law, the Electronic Waste Recycling Act of 2003 requires a retailer selling a covered electronic device in this state to collect an electronic waste recycling fee, the revenues of which are deposited in the Electronic Waste Recovery and Recycling Account. The California Tire Recycling Act imposes a California tire fee on a new tire purchased in the state and the revenue generated from the fee is deposited in the California Tire Recycling Management Fund. The California Oil Recycling Enhancement Act imposes a charge on oil manufacturers, the revenues of which are deposited in the California Used Oil Recycling Fund for purposes of the used oil recycling program.

This bill would, upon appropriation by the Legislature, require the department to issue grants to the corps, as follows: (A) \$4,000,000 for the 2014–15 fiscal year and \$8,000,000 each fiscal year thereafter, from funds in the Electronic Waste Recovery and Recycling Account for the corps to implement programs relating to the collection and recovery of covered electronic waste, (B) \$2,500,000 for the 2014–15 fiscal year and \$5,000,000 each fiscal year thereafter, from funds in the California Tire Recycling Management Fund for grants relating to implementing programs to cleanup and abate waste tires and to reuse and recycle waste tires, and (C) \$1,000,000 for the 2014–15 fiscal year and \$2,000,000 each fiscal year thereafter, from funds in the California Used Oil Recycling Fund for the corps for grants to implement programs relating to the collection of used oil. The bill would, instead of the \$15,000,000, as adjusted for cost of living, referenced above, provide that the amount required to be expended from the beverage fund for grants to the corps for beverage container litter reduction programs

and recycling programs is \$20,974,000, as adjusted for cost of living, less \$15,000,000, augmented by \$7,500,000 for the 2014–15 fiscal year only. The bill would make an appropriation by changing the conditions under which moneys are continuously appropriated to the corps from the beverage fund.

The California Beverage Container Recycling and Litter Reduction Act requires the department to establish and implement an auditing system to ensure that information collected, and refund values and redemption payments paid, comply with the purposes of the act. The act authorizes the department to audit and investigate any action taken up to 3 years before the onset of the audit or investigation and authorizes the department to take an enforcement action at any time within 2 years after the department discovers, or should have discovered, a violation of the act. A violation of the act is a crime and is punishable by a fine, as specified.

This bill would extend the department’s authorization to audit or investigate an action to 5 years before the onset of the audit or investigation and would expand the department’s authorization to take an enforcement action to 5 years after the department discovers, or should have discovered, a violation of the act.

(8) Existing law, the Rubberized Asphalt Concrete Market Development Act, requires the Department of Resources Recycling and Recovery, in accordance with the tire recycling program, to award grants for certain public agency projects that utilize rubberized asphalt concrete, pursuant to specified conditions.

This bill would rename this act the Rubberized Pavement Market Development Act, and would instead require the department to award grants for those public agency projects that utilize rubberized pavement, in accordance with those conditions.

(9) Existing law, the California Coastal Act of 1976, establishes the California Coastal Commission and declares that the California coastal zone is a distinct and valuable natural resources of vital and enduring interest and exists as a delicately balanced ecosystem. Existing law establishes the San Francisco Bay Conservation and Development Commission to regulate fill and development within a specified area in and along the shoreline of the San Francisco Bay, and to implement a comprehensive plan for the preservation and protection of the Suisun Marsh. Existing law establishes the State Coastal Conservancy in the Natural Resources Agency and authorizes the conservancy to acquire, manage, direct the management of, and conserve specified coastal lands

and wetlands in the state. Existing law establishes the Coastal Trust Fund in the State Treasury to receive and disburse funds paid to the conservancy in trust. Existing law authorizes the conservancy to expend the moneys in the fund for purposes of the San Francisco Bay Area Conservancy Program and for other specified purposes.

This bill would establish the California Climate Resilience Account in the Coastal Trust Fund and would continuously appropriate funds in the account, except as specified, to the State Coastal Conservancy, for expenditure by the State Coastal Conservancy, the California Coastal Commission, and the San Francisco Bay Conservation and Development Commission for coastal zone management planning and implementation activities to address the risks and impacts of climate change. The bill would require that funds be allocated to these 3 agencies according to a specific formula, except as specified, and would allow up to 10% of the funds to be available for administrative costs. The bill would require that funds in the account be spent solely for their specified purposes and would require, to the extent that any funds are appropriated into the account by the Legislature in the Annual Budget act, those funds be segregated for purposes of accounting.

The California Coastal Act of 1976 requires a person undertaking development in the coastal zone to obtain a coastal development permit in accordance with prescribed procedures. Existing law authorizes the superior court to impose civil liability on a person who performs or undertakes development that is in violation of the act or that is inconsistent with a previously issued coastal development permit, and on a person who violates the act in any other manner.

This bill would authorize the California Coastal Commission to impose upon a person who violates public access provisions of the act an administrative civil penalty, by a majority vote of the commissioners, upon consideration of various factors, and in an amount not to exceed 75% of the maximum civil penalty that may be imposed in the superior court. The bill would authorize the penalty to be assessed for each day the violation persists, but for no more than 5 years. The bill would prohibit a person from being subject to both this monetary civil liability imposed by the commission and a monetary civil liability imposed by the superior court for the same act or failure to act. The bill would also allow the commission to record a lien on the property of a violator in the amount of the penalty assessed by the commission if the violator fails to pay the penalty. The bill would prohibit the assessment of

administrative penalties in certain cases if the property owner corrects the violations.

(10) Existing law establishes the California Environmental Protection Program, which provides funding for various environmental protection purposes including, among other things, projects and programs related to pollution control, land acquisitions for natural areas or ecological reserves, environmental education, and the protection and preservation of wildlife. Existing law authorizes the issuance of environmental license plates, as defined, for vehicles, upon application and payment of certain fees, and requires that specified revenue derived from those fees for issuance, renewal, retention, duplication, and transfer of the environmental license plates be deposited in the California Environmental License Plate Fund in the State Treasury, and used, upon appropriation by the Legislature, for specified program purposes.

This bill would additionally authorize the expenditure of moneys in the fund that are available for the program, upon appropriation by the Legislature, for scientific research on the risks to California's natural resources and communities caused by the impacts of climate change.

Existing law requires the Department of Motor Vehicles (DMV) to issue special commemorative collegiate reflectorized license plates upon the request of the owner of the vehicle for which the plates are issued. Existing law imposes certain additional fees for the issuance, renewal, transfer, and replacement of the plates, and requires the DMV, after deducting its costs, to deposit 50% of the fees into the Resources License Plate Fund. Under existing law, moneys in the Resources License Plate Fund are available, upon appropriation, for the purposes of natural resources preservation, enhancement, and restoration.

Existing law also authorizes the DMV to issue environmental license plates and imposes certain fees for the issuance, renewal, and transfer of those plates. Existing law requires those fees to be deposited in the California Environmental License Plate Fund, and makes moneys in the fund available, upon appropriation, for certain purposes relating to the preservation and protection of the state's environment.

This bill would abolish the Resources License Plate Fund and would transfer moneys in that fund to the California Environmental License Plate Fund effective July 1, 2014. The bill would also update a cross-reference and delete obsolete provisions.

(11) Existing law establishes the Environmental Justice Small Grant Program and authorizes the California Environmental Protection Agency to award grants to eligible community groups located in areas

adversely affected by environmental pollution and hazards that work to address environmental justice issues. Existing law establishes the maximum amount of a grant to not exceed \$20,000. Existing law provides that the above provision is to be implemented only during fiscal years for which an appropriation is provided for in the annual Budget Act or in another statute for the above purpose.

This bill would increase the maximum amount of a grant to not exceed \$50,000. This bill would instead authorize the Secretary for Environmental Protection to expend up to \$1,500,000 per year for the above purposes. The bill would authorize the boards, departments, and offices within the agency to allocate funds from various special funds, settlements, and penalties to implement the program.

(12) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law requires the Public Utilities Commission to require the administration, until January 1, 2016, of a self-generation incentive program for distributed generation resources. Existing law authorizes the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to authorize electrical corporations to annually collect not more than the amount authorized for the program in the 2008 calendar year through December 31, 2014.

This bill would extend the authority of the Public Utilities Commission to authorize the electrical corporations to continue making the annual collection through December 31, 2019. The bill would extend the administration of the program to January 1, 2021.

Existing law limits eligibility for incentives under the self-generation incentive program to distributed energy resources that the Public Utilities Commission, in consultation with the State Air Resources Board, determines will achieve reductions in emissions of greenhouse gases pursuant to the California Global Warming Solutions Act of 2006.

This bill would further limit eligibility for incentives under the self-generation incentive program to distributed energy resource technologies that the Public Utilities Commission determines meet specified additional requirements. The bill would require the commission to determine a capacity factor for each distributed generation system energy resource technology in the program.

This bill would require the Public Utilities Commission to evaluate the self-generation incentive program's overall success and impact based on specified performance measures.

This bill would require the Public Utilities Commission, on or before July 1, 2015, to update the factor for avoided greenhouse gas emissions based on certain information. The bill would require the Public Utilities Commission, in allocating funds between eligible technologies, to consider the relative amount and cost of certain factors. The bill would require recipients of the self-generation incentive program funds to provide to the Public Utilities Commission and the State Air Resources Board relevant data and would subject them to inspection to verify equipment operation and performance.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of the requirements of the program that would be extended under the provisions of this bill would be a crime, this bill would impose a state-mandated local program.

(12.5) Existing law provides compensation for reasonable advocate's fees, reasonable expert witness fees, and other reasonable costs to public utility customers of participation or intervention in any proceeding of the Public Utilities Commission. Existing law requires an award for that compensation be paid by the public utility that is the subject of the hearing, investigation, or proceeding within 30 days. Existing law provides that an award shall be allowed by the commission as an expense for the purpose of establishing rates of the public utility. Under existing law, an existing decision of the commission establishes the intervenor compensation program fund for quasi-legislative or rulemaking proceedings funded through commission reimbursement fees collected on an annual basis from electrical, gas, telephone, and water corporations.

This bill would authorize the commission to pay to the Avondale Glen Elder Neighborhood Association the difference between the amount received from the bankruptcy court and the amount awarded by the commission by increasing the fees collected pursuant to these provisions for the limited purpose of that specified decision.

(13) Existing law, including the California Safe Drinking Water Act, provides for the operation of public water systems and imposes on the State Department of Public Health various duties and responsibilities for the regulation and control of drinking water in the State of California. Existing law requires the department to conduct research, studies, and demonstration projects relating to the provision of a dependable, safe supply of drinking water, to adopt regulations to

implement the state act, and to enforce provisions of the federal Safe Drinking Water Act.

The Safe Drinking Water State Revolving Fund Law of 1997 establishes the Safe Drinking Water State Revolving Fund to provide grants or revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Under that law, the department is required to undertake specified actions to implement the fund, including entering into agreements with the federal government for federal contributions to the fund.

This bill would, effective July 1, 2014, transfer to the State Water Resources Control Board the authority, duties, powers, purposes, functions, responsibilities, and jurisdiction of the department for the purposes of the administration of specified drinking water programs. The bill would require the state board to appoint a deputy director, as specified, for drinking water programs.

The bill would, among other things, authorize the board, in order to administer the fund, to engage in the transfer of capitalization grant funds, as specified, and to cross-collateralize revenue bonds with the State Water Pollution Control Revolving Fund. The bill would also authorize the board to implement the provisions of the Safe Drinking Water State Revolving Fund Law of 1997 through a policy handbook, as specified, and make the repeal of, or operation of, various provisions of law contingent upon the adoption of the policy handbook. The bill would make various other changes.

The Budget Act of 2003 makes available to the State Department of Public Health \$15,000,000 for encumbrance until June 30, 2016, for the purposes of providing grants of up to \$500,000 per project for public water systems to address drought-related drinking water emergencies or threatened emergencies.

This bill would appropriate the unencumbered balance of the above moneys to the State Water Resources Control Board for the above purposes. The bill would require the board to make every effort to use other funds available to address drinking water emergencies before using the moneys transferred.

(14) Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements in accordance with the federal Clean Water Act and the Porter-Cologne Water Quality Control Act. The state act imposes various penalties for a violation of its requirements. The

state act requires specified penalties be deposited into the Waste Discharge Permit Fund and separately accounted. The state act requires moneys in the fund, upon appropriation, to be expended by the state board to assist regional boards and prescribed other public agencies in cleaning up or abating the effects of waste on waters of the state or to assist a regional board attempting to remedy a significant unforeseen water pollution problem.

This bill would, until July 1, 2017, authorize up to \$500,000 per fiscal year from the moneys in the fund, upon appropriation, to be expended to assist the Department of Fish and Wildlife to address the impacts of marijuana cultivation on the natural resources of the state.

(15) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(16) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

~~*This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2014.*~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12025 of the Fish and Game Code is
2 amended to read:
3 12025. (a) In addition to any penalties imposed by any other
4 law, a person found to have violated Section 1602, 5650, or 5652
5 in connection with the production or cultivation of a controlled
6 substance on land under the management of the Department of
7 Parks and Recreation, the Department of Fish and Wildlife, the
8 Department of Forestry and Fire Protection, the State Lands
9 Commission, a regional park district, the United States Forest
10 Service, or the Bureau of Land Management, or within the
11 respective ownership of a timberland production zone, as defined
12 in Chapter 6.7 (commencing with Section 51100) of Division 1 of
13 Title 5 of the Government Code, of more than 50,000 acres, or
14 while trespassing on other public or private land in connection

1 *with the production or cultivation of a controlled substance, shall*
2 *be liable for a civil penalty in the following amounts:*

3 (1) A person who violates Section 1602 in connection with the
4 production or cultivation of a controlled substance is subject to a
5 civil penalty of not more than ten thousand dollars (\$10,000) for
6 each violation.

7 (2) A person who violates Section 5650 in connection with the
8 production or cultivation of a controlled substance is subject to a
9 civil penalty of not more than forty thousand dollars (\$40,000) for
10 each violation.

11 (3) A person who violates Section 5652 in connection with the
12 production or cultivation of a controlled substance is subject to a
13 civil penalty of not more than forty thousand dollars (\$40,000) for
14 each violation.

15 *(b) (1) In addition to any penalties imposed by any other law,*
16 *a person found to have violated Section 1602, 5650, or 5652 in*
17 *connection with the production or cultivation of a controlled*
18 *substance on land that the person owns, leases, or otherwise uses*
19 *or occupies with the consent of the landowner may be liable for a*
20 *civil penalty in the following amounts:*

21 (A) A person who violates Section 1602 in connection with the
22 production or cultivation of a controlled substance is subject to a
23 civil penalty of not more than eight thousand dollars (\$8,000) for
24 each violation.

25 (B) A person who violates Section 5650 in connection with the
26 production or cultivation of a controlled substance is subject to a
27 civil penalty of not more than twenty thousand dollars (\$20,000)
28 for each violation.

29 (C) A person who violates Section 5652 in connection with the
30 production or cultivation of a controlled substance is subject to a
31 civil penalty of not more than twenty thousand dollars (\$20,000)
32 for each violation.

33 (2) *Each day that a violation of Section 1602, 5650, or 5652*
34 *described in this subdivision occurs or continues to occur shall*
35 *constitute a separate violation.*

36 ~~(b)~~

37 (c) The civil penalty imposed for each separate violation
38 pursuant to this section is in addition to any other civil penalty
39 imposed for another violation of this section, or any violation of
40 any other law.

1 (e)

2 (d) All civil penalties *imposed or* collected by a court for a
3 separate violation pursuant to this section shall not be considered
4 to be fines or forfeitures, as described in Section 13003, and shall
5 be apportioned in the following manner:

6 (1) Thirty percent shall be distributed to the county in which
7 the violation was committed pursuant to Section 13003. The county
8 board of supervisors shall first use any revenues from those
9 penalties to reimburse the costs incurred by the district attorney
10 or city attorney in investigating and prosecuting the violation.

11 (2) (A) Thirty percent shall be distributed to the investigating
12 agency to be used to reimburse the cost of any investigation directly
13 related to the violations described in this section.

14 (B) *If the department receives reimbursement pursuant to this*
15 *paragraph for activities funded pursuant to subdivision (f) of*
16 *Section 4629.6 of the Public Resources Code, the reimbursement*
17 *funds shall be deposited into the Timber Regulation and Forest*
18 *Restoration Fund, created by Section 4629.3 of the Public*
19 *Resources Code, if there is an unpaid balance for a loan authorized*
20 *by subdivision (f) of Section 4629.6 of the Public Resources Code.*

21 (3) Forty percent shall be ~~distributed to the agency performing~~
22 ~~the cleanup or abatement of the cultivation or production site for~~
23 ~~the reimbursement for all reasonable costs associated with the~~
24 ~~cleanup or abatement.~~ *deposited into the Timber Regulation and*
25 *Forest Restoration Fund, created by Section 4629.3 of the Public*
26 *Resources Code, and used for grants authorized pursuant to*
27 *Section 4629.6 of the Public Resources Code that improve forest*
28 *health by remediating former marijuana growing operations.*

29 (e) Civil penalties authorized pursuant to this section may be
30 imposed administratively by the department if all the following
31 occur:

32 (1) *The chief deputy director or law enforcement division*
33 *assistant chief in charge of marijuana-related enforcement issues*
34 *a complaint to any person or entity on which an administrative*
35 *civil penalty may be imposed pursuant to this section. The*
36 *complaint shall allege the act or failure to act that constitutes a*
37 *violation, any facts related to natural resources impacts, the*
38 *provision of law authorizing the civil penalty to be imposed, and*
39 *the proposed penalty amount.*

1 (2) *The complaint and order is served by personal notice or*
2 *certified mail and informs the party served that the party may*
3 *request a hearing no later than 20 days from the date of service.*
4 *If a hearing is requested, it shall be scheduled before the director*
5 *or his or her designee, which designee shall not be the chief deputy*
6 *or assistant chief issuing the complaint and order. A request for*
7 *a hearing shall contain a brief statement of the material facts the*
8 *party claims support his or her contention that no administrative*
9 *penalty should be imposed or that an administrative penalty of a*
10 *lesser amount is warranted. A party served with a complaint*
11 *pursuant to this subdivision waives the right to a hearing if no*
12 *hearing is requested within 20 days of service of the complaint, in*
13 *which case the order imposing the administrative penalty shall*
14 *become final.*

15 (3) *The director, or his or her designee, shall control the nature*
16 *and order of hearing proceedings. Hearings shall be informal in*
17 *nature, and need not be conducted according to the technical rules*
18 *relating to evidence. The director or his or her designee shall issue*
19 *a final order within 45 days of the close of the hearing. A final*
20 *copy of the order shall be served by certified mail upon the party*
21 *served with the complaint.*

22 (4) *A party may obtain review of the final order by filing a*
23 *petition for a writ of mandate with the superior court within 30*
24 *days of the date of service of the final order. The administrative*
25 *penalty shall be due and payable to the department within 60 days*
26 *after the time to seek judicial review has expired, or, where the*
27 *party has not requested a hearing of the order, within 20 days*
28 *after the order imposing an administrative penalty becomes final.*

29 (5) *The department may adopt regulations to implement this*
30 *subdivision.*

31 (f) *All administrative penalties imposed or collected by the*
32 *department for a separate violation pursuant to this section shall*
33 *not be considered to be fines or forfeitures, as described in Section*
34 *13003, and shall be deposited into the Timber Regulation and*
35 *Forest Restoration Fund, created by Section 4629.3 of the Public*
36 *Resources Code, to repay any unpaid balance of a loan authorized*
37 *by subdivision (f) of Section 4629.6 of the Public Resources Code.*
38 *Any remaining funds from administrative penalties collected*
39 *pursuant to this section shall be apportioned in the following*
40 *manner:*

1 (1) Fifty percent shall be deposited into the Timber Regulation
2 and Forest Restoration Fund for grants authorized pursuant to
3 subdivision (h) of Section 4629.6 of the Public Resources Code,
4 with priority given to grants that improve forest health by
5 remediating former marijuana growing operations.

6 (2) Fifty percent shall be deposited into the Fish and Game
7 Preservation Fund.

8 (4)

9 (g) For purposes of this section, “controlled substance” has the
10 same meaning as defined in Section 11007 of the Health and Safety
11 Code.

12 SEC. 2. Section 8574.4 of the Government Code is amended
13 to read:

14 8574.4. State agencies designated to implement the contingency
15 plan shall account for all state expenditures made under the plan
16 with respect to each oil spill. Expenditures accounted for under
17 this section from an oil spill in ~~marine~~ waters of the state shall be
18 paid from the Oil Spill Response Trust Fund created pursuant to
19 Section 8670.46. All other expenditures accounted for under this
20 section shall be paid from the State Water Pollution Cleanup and
21 Abatement Account in the State Water Quality Control Fund
22 provided for in Article 3 (commencing with Section 13440) of
23 Chapter 6 of Division 7 of the Water Code. If the party responsible
24 for the spill is identified, that party shall be liable for the
25 expenditures accounted for under this section, in addition to any
26 other liability ~~which~~ that may be provided for by law, in an action
27 brought by the Attorney General. The proceeds from any ~~such~~
28 action for a spill in marine waters shall be paid into the Oil Spill
29 Response Trust Fund.

30 SEC. 3. Section 8574.7 of the Government Code is amended
31 to read:

32 8574.7. The Governor shall require the administrator, not in
33 conflict with the National Contingency Plan, to amend the
34 California oil spill contingency plan ~~by adding a marine oil spill~~
35 ~~contingency planning section that provides~~ to provide for the best
36 achievable protection of the coast and marine waters of the state.
37 “Administrator” for purposes of this section means the
38 administrator appointed by the Governor pursuant to Section
39 8670.4. ~~The marine oil spill contingency planning section plan~~
40 shall consist of all of the following elements:

1 (a) A state ~~marine~~ response element that specifies the hierarchy
2 for state and local agency response to an oil spill. The element
3 shall define the necessary tasks for oversight and control of cleanup
4 and removal activities associated with ~~a marine~~ *an* oil spill and
5 shall specify each agency's particular responsibility in carrying
6 out these tasks. The element shall also include an organizational
7 chart of the state ~~marine~~ oil spill response organization and a
8 definition of the resources, capabilities, and response assignments
9 of each agency involved in cleanup and removal actions in ~~a marine~~
10 *an* oil spill.

11 (b) A regional and local planning element that shall provide the
12 framework for the involvement of regional and local agencies in
13 the state effort to respond to ~~a marine~~ *an* oil spill, and shall ensure
14 the effective and efficient use of regional and local resources, *as*
15 *appropriate*, in all of the following:

- 16 (1) Traffic and crowd control.
- 17 (2) Firefighting.
- 18 (3) Boating traffic control.
- 19 (4) Radio and communications control and provision of access
20 to equipment.
- 21 (5) Identification and use of available local and regional
22 equipment or other resources suitable for use in cleanup and
23 removal actions.
- 24 (6) Identification of private and volunteer resources or personnel
25 with special or unique capabilities relating to ~~marine~~ oil spill
26 cleanup and removal actions.
- 27 (7) Provision of medical emergency services.
- 28 (8) Consideration of the identification and use of private working
29 craft and mariners, including commercial fishing vessels and
30 licensed commercial fishing men and women, in containment,
31 cleanup, and removal actions.

32 (c) A coastal protection element that establishes the state
33 standards for coastline protection. The administrator, in
34 consultation with the Coast Guard and Navy and the shipping
35 industry, shall develop criteria for coastline protection. If
36 appropriate, the administrator shall consult with representatives
37 from the States of Alaska, Washington, and Oregon, the Province
38 of British Columbia in Canada, and the Republic of Mexico. The
39 criteria shall designate at least all of the following:

1 (1) Appropriate shipping lanes and navigational aids for tankers,
2 barges, and other commercial vessels to reduce the likelihood of
3 collisions between tankers, barges, and other commercial vessels.
4 Designated shipping lanes shall be located off the coastline at a
5 distance sufficient to significantly reduce the likelihood that
6 disabled vessels will run aground along the coast of the state.

7 (2) Ship position reporting and communications requirements.

8 (3) Required predeployment of protective equipment for
9 sensitive environmental areas along the coastline.

10 (4) Required emergency response vessels that are capable of
11 preventing disabled tankers from running aground.

12 (5) Required emergency response vessels that are capable of
13 commencing oil cleanup operations before spilled oil can reach
14 the shoreline.

15 (6) An expedited decisionmaking process for dispersant use in
16 coastal waters. Prior to adoption of the process, the administrator
17 shall ensure that a comprehensive testing program is carried out
18 for any dispersant proposed for use in California marine waters.
19 The testing program shall evaluate toxicity and effectiveness of
20 the dispersants.

21 (7) Required rehabilitation facilities for wildlife injured by
22 spilled oil.

23 (8) An assessment of how activities that usually require a permit
24 from a state or local agency may be expedited or issued by the
25 administrator in the event of an oil spill.

26 (d) An environmentally and ecologically sensitive areas element
27 that shall provide the framework for prioritizing and ensuring the
28 protection of environmentally and ecologically sensitive areas.
29 The environmentally and ecologically sensitive areas element shall
30 be developed by the administrator, in conjunction with appropriate
31 local agencies, and shall include all of the following:

32 (1) Identification and prioritization of environmentally and
33 ecologically sensitive areas in ~~marine~~ *state* waters and along the
34 coast. Identification and prioritization of environmentally and
35 ecologically sensitive areas shall not prevent or excuse the use of
36 all reasonably available containment and cleanup resources from
37 being used to protect every environmentally and ecologically
38 sensitive area possible. Environmentally and ecologically sensitive
39 areas shall be prioritized through the evaluation of criteria,
40 including, but not limited to, all of the following:

1 (A) Risk of contamination by oil after a spill.

2 (B) Environmental, ecological, recreational, and economic
3 importance.

4 (C) Risk of public exposure should the area be contaminated.

5 (2) Regional maps depicting environmentally and ecologically
6 sensitive areas in ~~marine~~ state waters or along the coast that shall
7 be distributed to facilities and local and state agencies. The maps
8 shall designate those areas that have particularly high priority for
9 protection against oil spills.

10 (3) A plan for protection actions required to be taken in the
11 event of an oil spill for each of the environmentally and
12 ecologically sensitive areas and protection priorities for the first
13 24 to 48 hours after an oil spill shall be specified.

14 (4) The location of available response equipment and the
15 availability of trained personnel to deploy the equipment to protect
16 the priority environmentally and ecologically sensitive areas.

17 (5) A program for systemically testing and revising, if necessary,
18 protection strategies for each of the priority environmentally and
19 ecologically sensitive areas.

20 (6) Any recommendations for action that cannot be financed or
21 implemented pursuant to existing authority of the administrator,
22 which shall also be reported to the Legislature along with
23 recommendations for financing those actions.

24 ~~(e) This section shall become operative on January 1, 2012.~~

25 ~~(e) A reporting element that requires the reporting of spills of~~
26 ~~any amount of oil in or on state waters.~~

27 *SEC. 4. Section 8574.8 of the Government Code is amended*
28 *to read:*

29 8574.8. (a) The administrator shall submit to the Governor
30 and the Legislature an amended California oil spill contingency
31 plan required, pursuant to Section 8574.7, by January 1, 1993. The
32 administrator shall thereafter submit revised plans every three
33 years, until the amended plan required pursuant to subdivision (b)
34 is submitted.

35 (b) The administrator shall submit to the Governor and the
36 Legislature an amended California oil spill contingency plan
37 required pursuant to Section 8574.7, ~~by on or before January 1,~~
38 ~~2010, 2017, that consists of both a addresses marine oil spill~~
39 ~~contingency planning section and an and inland oil spill~~

1 ~~contingency planning section~~ *spills*. The administrator shall
2 thereafter submit revised plans every three years.

3 *SEC. 5. Section 8670.2 of the Government Code is amended*
4 *to read:*

5 8670.2. The Legislature finds and declares as follows:

6 (a) Each year, billions of gallons of crude oil and petroleum
7 products are transported by vessel, *railroad, truck, or pipeline*
8 *over, across, under, and through the*~~marine~~ waters of this state.

9 (b) Recent accidents in southern California, Alaska,~~and~~ other
10 parts of the nation, *and Canada*, have shown that~~marine~~
11 transportation of oil can be a significant threat to the environment
12 of sensitive~~coastal~~ areas.

13 (c) Existing prevention programs are not able to reduce
14 sufficiently the risk of significant discharge of petroleum into
15 ~~marine state~~ waters.

16 (d) Response and cleanup capabilities and technology are unable
17 to remove consistently the majority of spilled oil when major oil
18 spills occur in~~marine state~~ waters.

19 (e) California's *lakes, rivers, other inland waters*, coastal waters,
20 estuaries, bays, and beaches are treasured environmental and
21 economic resources~~which~~ *that* the state cannot afford to place at
22 undue risk from an oil spill.

23 (f) Because of the inadequacy of existing cleanup and response
24 measures and technology, the emphasis must be put on prevention,
25 if the risk and consequences of oil spills are to be minimized.

26 (g) Improvements in the design, construction, and operation of
27 *rail tank cars, tank trucks*, tank ships, terminals, and pipelines;
28 improvements in marine safety; maintenance of emergency
29 response stations and personnel; and stronger inspection and
30 enforcement efforts are necessary to reduce the risks of and from
31 a major oil spill.

32 (h) A major oil spill in~~marine state~~ waters is extremely
33 expensive because of the need to clean up discharged oil, protect
34 sensitive environmental areas, and restore ecosystem damage.

35 (i) Immediate action must be taken to improve control and
36 cleanup technology in order to strengthen the capabilities and
37 capacities of cleanup operations.

38 (j) California government should improve its response and
39 management of oil spills that occur in~~marine state~~ waters.

(k) Those who transport oil through *or near* the ~~marine~~ waters of the state must meet minimum safety standards and demonstrate financial responsibility.

(l) The federal government plays an important role in preventing and responding to petroleum spills and it is in the interests of the state to coordinate with agencies of the federal government, including the Coast Guard *and the United States Environmental Protection Agency*, to the greatest degree possible.

(m) California has approximately 1,100 miles of coast, including four marine sanctuaries ~~which~~ *that* occupy 88,767 square miles. The weather, topography, and tidal currents in and around California's coastal ports and waterways make vessel navigation challenging. The state's major ports are among the busiest in the world. Approximately 700 million barrels of oil are consumed annually by California, with over 500 million barrels being transported by vessel. The peculiarities of California's maritime coast require special precautionary measures regarding oil pollution.

(n) *California has approximately 158,500 square miles of interior area where there are approximately 6,800 miles of pipeline used for oil distribution, 5,800 miles of Class I railroad track, and 172,100 miles of maintained roads.*

SEC. 6. *Section 8670.3 of the Government Code is amended to read:*

8670.3. Unless the context requires otherwise, the following definitions shall govern the construction of this chapter:

(a) "Administrator" means the administrator for oil spill response appointed by the Governor pursuant to Section 8670.4.

(b) (1) "Best achievable protection" means the highest level of protection that can be achieved through both the use of the best achievable technology and those manpower levels, training procedures, and operational methods that provide the greatest degree of protection achievable. The administrator's determination of which measures provide the best achievable protection shall be guided by the critical need to protect valuable ~~coastal~~ *natural* resources and ~~marine~~ *state* waters, while also considering all of the following:

(A) The protection provided by the measure.

(B) The technological achievability of the measure.

(C) The cost of the measure.

(2) The administrator shall not use a cost-benefit or cost-effectiveness analysis or any particular method of analysis in determining which measures provide the best achievable protection. The administrator shall instead, when determining which measures provide best achievable protection, give reasonable consideration to the protection provided by the measures, the technological achievability of the measures, and the cost of the measures when establishing the requirements to provide the best achievable protection for ~~coastal and marine~~ *the natural resources of the state*.

(c) (1) “Best achievable technology” means that technology that provides the greatest degree of protection, taking into consideration both of the following:

(A) Processes that are being developed, or could feasibly be developed anywhere in the world, given overall reasonable expenditures on research and development.

(B) Processes that are currently in use anywhere in the world.

(2) In determining what is the best achievable technology pursuant to this chapter, the administrator shall consider the effectiveness and engineering feasibility of the technology.

(d) *“California oil spill contingency plan” means the California oil spill contingency plan prepared pursuant to Article 3.5 (commencing with Section 8574.1) of Chapter 7.*

~~(e)~~

(e) “Dedicated response resources” means equipment and personnel committed solely to oil spill response, containment, and cleanup that are not used for any other activity that would adversely affect the ability of that equipment and personnel to provide oil spill response services in the timeframes for which the equipment and personnel are rated.

~~(e) “Director” means the Director of Fish and Game.~~

(f) “Environmentally sensitive area” means an area defined pursuant to the applicable area contingency plans *or geographic response plans*, as created and revised by the Coast Guard, *the United States Environmental Protection Agency*, and the administrator.

(g) (1) *“Facility” means any of the following located in state waters or located where an oil spill may impact state waters:*

(A) *A building, structure, installation, or equipment used in oil exploration, oil well drilling operations, oil production, oil refining,*

- 1 oil storage, oil gathering, oil processing, oil transfer, oil
2 distribution, or oil transportation.
- 3 (B) A marine terminal.
- 4 (C) A pipeline that transports oil.
- 5 (D) A railroad that transports oil as cargo.
- 6 (E) A drill ship, semisubmersible drilling platform, jack-up type
7 drilling rig, or any other floating or temporary drilling platform.
- 8 (2) "Facility" does not include any of the following:
- 9 (A) A vessel, except a vessel located and used for any purpose
10 described in subparagraph (E) of paragraph (1).
- 11 (B) An owner or operator subject to Chapter 6.67 (commencing
12 with Section 25270) or Chapter 6.75 (commencing with Section
13 25299.10) of Division 20 of the Health and Safety Code.
- 14 (C) Operations on a farm, nursery, logging site, or construction
15 site that are either of the following:
- 16 (i) Do not exceed 20,000 gallons in a single storage tank.
- 17 (ii) Have a useable tank storage capacity not exceeding 75,000
18 gallons.
- 19 (D) A small craft refueling dock.
- 20 ~~(g) "Inland spill" means a release of at least one barrel (42~~
21 ~~gallons) of oil into inland waters that is not authorized by any~~
22 ~~federal, state, or local governmental entity.~~
- 23 ~~(h) "Inland waters" means waters of the state other than marine~~
24 ~~waters, but not including groundwater.~~
- 25 ~~(i)~~
- 26 ~~(h) "Local government" means a chartered or general law city,~~
27 ~~a chartered or general law county, or a city and county.~~
- 28 ~~(j) (1) "Marine facility" means any facility of any kind, other~~
29 ~~than a tank ship or tank barge, that is or was used for the purposes~~
30 ~~of exploring for, drilling for, producing, storing, handling,~~
31 ~~transferring, processing, refining, or transporting oil and is located~~
32 ~~in marine waters, or is located where a discharge could impact~~
33 ~~marine waters unless the facility is either of the following:~~
- 34 ~~(A) Subject to Chapter 6.67 (commencing with Section 25270)~~
35 ~~or Chapter 6.75 (commencing with Section 25299.10) of Division~~
36 ~~20 of the Health and Safety Code.~~
- 37 ~~(B) Placed on a farm, nursery, logging site, or construction site~~
38 ~~and does not exceed 20,000 gallons in a single storage tank.~~

1 ~~(2) For the purposes of this chapter, “marine facility” includes~~
2 ~~a drill ship, semisubmersible drilling platform, jack-up type drilling~~
3 ~~rig, or any other floating or temporary drilling platform.~~

4 ~~(3) For the purposes of this chapter, “marine facility” does not~~
5 ~~include a small craft refueling dock.~~

6 ~~(k)~~

7 ~~(i) (1) “Marine terminal” means any marine facility used for~~
8 ~~transferring oil to or from a tank ship or tank barge.~~

9 ~~(2) “Marine terminal” includes, for purposes of this chapter, all~~
10 ~~piping not integrally connected to a tank facility, as defined in~~
11 ~~subdivision ~~(m)~~ (n) of Section 25270.2 of the Health and Safety~~
12 ~~Code.~~

13 ~~(l) “Marine waters” means those waters subject to tidal~~
14 ~~influence, and includes the waterways used for waterborne~~
15 ~~commercial vessel traffic to the Port of Sacramento and the Port~~
16 ~~of Stockton.~~

17 ~~(m)~~

18 ~~(j) “Mobile transfer unit” means a small marine fueling facility~~
19 ~~that is a vehicle, truck, or trailer, including all connecting hoses~~
20 ~~and piping, used for the transferring of oil at a location where a~~
21 ~~discharge could impact marine waters of the state.~~

22 ~~(n)~~

23 ~~(k) “Nondedicated response resources” means those response~~
24 ~~resources identified by an Oil Spill Response Organization for oil~~
25 ~~spill response activities that are not dedicated response resources.~~

26 ~~(o)~~

27 ~~(l) “Nonpersistent oil” means a petroleum-based oil, such as~~
28 ~~gasoline or jet fuel, that evaporates relatively quickly and is an oil~~
29 ~~with hydrocarbon fractions, at least 50 percent of which, by~~
30 ~~volume, distills at a temperature of 645 degrees Fahrenheit, and~~
31 ~~at least 95 percent of which, by volume, distills at a temperature~~
32 ~~of 700 degrees Fahrenheit.~~

33 ~~(p)~~

34 ~~(m) “Nontank vessel” means a vessel of 300 gross tons or greater~~
35 ~~that carries oil, but does not carry that oil as cargo.~~

36 ~~(q)~~

37 ~~(n) “Oil” means any kind of petroleum, liquid hydrocarbons,~~
38 ~~or petroleum products or any fraction or residues therefrom,~~
39 ~~including, but not limited to, crude oil, bunker fuel, gasoline, diesel~~

1 fuel, aviation fuel, oil sludge, oil refuse, oil mixed with waste, and
2 liquid distillates from unprocessed natural gas.

3 ~~(r)~~

4 (o) “Oil spill cleanup agent” means a chemical, or any other
5 substance, used for removing, dispersing, or otherwise cleaning
6 up oil or any residual products of petroleum in, or on, any of the
7 waters of the state.

8 ~~(s)~~

9 (p) “Oil spill contingency plan” or “contingency plan” means
10 the oil spill contingency plan required pursuant to Article 5
11 (commencing with Section 8670.28).

12 ~~(t)~~

13 (q) (1) “Oil Spill Response Organization” or “OSRO” means
14 an individual, organization, association, cooperative, or other entity
15 that provides, or intends to provide, equipment, personnel, supplies,
16 or other services directly related to oil spill containment, cleanup,
17 or removal activities.

18 ~~(2) A “rated OSRO” means an OSRO that has received a~~
19 ~~satisfactory rating from the administrator for a particular rating~~
20 ~~level established pursuant to Section 8670.30.~~

21 ~~(3)~~

22 (2) “OSRO” does not include an owner or operator with an oil
23 spill contingency plan approved by the administrator or an entity
24 that only provides spill management services, or who provides
25 services or equipment that are only ancillary to containment,
26 cleanup, or removal activities.

27 ~~(u) “Onshore facility” means a facility of any kind that is located~~
28 ~~entirely on lands not covered by marine waters.~~

29 ~~(v)~~

30 (r) (1) “Owner” or “operator” means any of the following:

31 (A) In the case of a vessel, a person who owns, has an ownership
32 interest in, operates, charters by demise, or ~~leases~~, *leases* the vessel.

33 (B) In the case of a ~~marine~~ facility, a person who owns, has an
34 ownership interest in, or operates the ~~marine~~ facility.

35 (C) Except as provided in subparagraph (D), in the case of a
36 vessel or ~~marine~~ facility, where title or control was conveyed due
37 to bankruptcy, foreclosure, tax delinquency, abandonment, or
38 similar means to an entity of state or local government, a person
39 who owned, held an ownership interest in, operated, or otherwise

1 controlled activities concerning the vessel or ~~marine~~ facility
2 immediately beforehand.

3 (D) An entity of the state or local government that acquired
4 ownership or control of a vessel or ~~marine~~ facility, when the entity
5 of the state or local government has caused or contributed to a spill
6 or discharge of oil into ~~marine~~ waters *of the state*.

7 (2) “Owner” or “operator” does not include a person who,
8 without participating in the management of a vessel or ~~marine~~
9 facility, holds indicia of ownership primarily to protect the person’s
10 security interest in the vessel or ~~marine~~ facility.

11 (3) “Operator” does not include a person who owns the land
12 underlying a ~~marine~~ facility or the facility itself if the person is
13 not involved in the operations of the facility.

14 ~~(w)~~

15 (s) “Person” means an individual, trust, firm, joint stock
16 company, or corporation, including, but not limited to, a
17 government corporation, partnership, and association. “Person”
18 also includes a city, county, city and county, district, and the state
19 or any department or agency thereof, and the federal government,
20 or any department or agency thereof, to the extent permitted by
21 law.

22 ~~(x)~~

23 (t) “Pipeline” means a pipeline used at any time to transport oil.

24 ~~(y) “Reasonable worst case spill” means, for the purposes of~~
25 ~~preparing contingency plans for a nontank vessel, the total volume~~
26 ~~of the largest fuel tank on the nontank vessel.~~

27 (u) “Railroad” means a railroad, railway, rail car, rolling
28 stock, or train.

29 (v) “Rated OSRO” means an OSRO that has received a
30 satisfactory rating from the administrator for a particular rating
31 level established pursuant to Section 8670.30.

32 ~~(z)~~

33 (w) “Responsible party” or “party responsible” means any of
34 the following:

35 (1) The owner or transporter of oil or a person or entity accepting
36 responsibility for the oil.

37 (2) The owner, operator, or lessee of, or a person that charts
38 by demise, a vessel or ~~marine~~ facility, or a person or entity
39 accepting responsibility for the vessel or ~~marine~~ facility.

40 ~~(aa)~~

(x) “Small craft” means a vessel, other than a tank ship or tank barge, that is less than 20 meters in length.

~~(ab)~~

(y) “Small craft refueling dock” means a waterside operation that dispenses only nonpersistent oil in bulk and small amounts of persistent lubrication oil in containers primarily to small craft and meets both of the following criteria:

(1) Has tank storage capacity not exceeding 20,000 gallons in any single storage tank or tank compartment.

(2) Has total usable tank storage capacity not exceeding 75,000 gallons.

~~(ae)~~

(z) “Small marine fueling facility” means either of the following:

(1) A mobile transfer unit.

(2) A fixed facility that is not a marine terminal, that dispenses primarily nonpersistent oil, that may dispense small amounts of persistent oil, primarily to small craft, and that meets all of the following criteria:

(A) Has tank storage capacity greater than 20,000 gallons but not more than 40,000 gallons in any single storage tank or storage tank compartment.

(B) Has total usable tank storage capacity not exceeding 75,000 gallons.

(C) Had an annual throughput volume of over-the-water transfers of oil that did not exceed 3,000,000 gallons during the most recent preceding 12-month period.

~~(ad) “Spill” or “discharge”~~

~~(aa) “Spill,” “discharge,” or “oil spill” means a release of at least one barrel (42 gallons) any amount of oil into marine waters of the state that is not authorized by a federal, state, or local government entity.~~

~~(ae) “California oil spill contingency plan” means the California oil spill contingency plan prepared pursuant to Article 3.5 (commencing with Section 8574.1) of Chapter 7.~~

~~(af)~~

(ab) “Tank barge” means a vessel that carries oil in commercial quantities as cargo but is not equipped with a means of self-propulsion.

~~(ag)~~

1 (ac) “Tank ship” means a self-propelled vessel that is
2 constructed or adapted for the carriage of oil in bulk or in
3 commercial quantities as cargo.

4 ~~(ah)~~

5 (ad) “Tank vessel” means a tank ship or tank barge.

6 ~~(ai)~~

7 (ae) “Vessel” means a watercraft or ship of any kind, including
8 every structure adapted to be navigated from place to place for the
9 transportation of merchandise or persons.

10 ~~(aj)~~

11 (af) “Vessel carrying oil as secondary cargo” means a vessel
12 that does not carry oil as a primary cargo, but does carry oil ~~in~~
13 ~~bulk as cargo or cargo residue.~~ cargo. *The administrator may*
14 *establish minimum oil volume amounts or other criteria by*
15 *regulations.*

16 ~~This section shall become operative on January 1, 2012.~~

17 (ag) “Waters of the state” or “state waters” means any surface
18 water, including saline waters, marine waters, and freshwaters,
19 within the boundaries of the state but does not include
20 groundwater.

21 *SEC. 7. Section 8670.5 of the Government Code is amended*
22 *to read:*

23 8670.5. The Governor shall ensure that the state fully and
24 adequately responds to all oil spills in ~~marine~~ waters of the state.
25 The administrator, acting at the direction of the Governor, shall
26 implement activities relating to oil spill response, including drills
27 and preparedness and oil spill containment and cleanup. The
28 administrator shall also represent the state in any coordinated
29 response efforts with the federal government.

30 *SEC. 8. Section 8670.7 of the Government Code is amended*
31 *to read:*

32 8670.7. (a) The administrator, subject to the Governor, has
33 the primary authority to direct prevention, removal, abatement,
34 response, containment, and cleanup efforts with regard to all
35 aspects of any oil spill in ~~the marine~~ waters of the state, in
36 accordance with any applicable ~~marine~~ facility or vessel
37 contingency plan and the California oil spill contingency plan. The
38 administrator shall cooperate with any federal on-scene coordinator,
39 as specified in the National Contingency Plan.

1 (b) The administrator shall implement the California oil spill
2 contingency plan, required pursuant to Section 8574.1, to the fullest
3 extent possible.

4 (c) The administrator shall do both of the following:

5 (1) Be present at the location of any oil spill of more than
6 100,000 gallons in ~~marine~~ waters *of the state*, as soon as possible
7 after notice of the discharge.

8 (2) Ensure that persons trained in oil spill response and cleanup,
9 whether employed by the responsible party, the state, or another
10 private or public person or entity, are onsite to respond to, contain,
11 and clean up any oil spill in ~~marine~~ waters *of the state*, as soon as
12 possible after notice of the discharge.

13 (d) Throughout the response and cleanup process, the
14 administrator shall apprise the air quality management district or
15 air pollution control district having jurisdiction over the area in
16 which the oil spill occurred and the local government ~~entities~~
17 *agencies* that are affected by the spill.

18 (e) The administrator, with the assistance, *as needed*, of the
19 *Office of the State Fire Marshal, the Public Utilities Commission,*
20 *the State Lands Commission, or other state agency*, and the federal
21 on-scene coordinator, shall determine the cause and amount of the
22 discharge.

23 (f) The administrator shall have the state authority over the use
24 of all response methods, including, but not limited to, in situ
25 burning, dispersants, and any oil spill cleanup agents in connection
26 with an oil discharge. The administrator shall consult with the
27 federal on-scene coordinator prior to exercising authority under
28 this subdivision.

29 (g) (1) The administrator shall conduct workshops, consistent
30 with the intent of this chapter, with the participation of appropriate
31 local, state, and federal agencies, including the State Air Resources
32 Board, air pollution control ~~districts~~, and air quality management
33 districts, and affected private organizations, on the subject of oil
34 spill response technologies, including in situ burning. The
35 workshops shall review the latest research and findings regarding
36 the efficacy and toxicity of oil spill cleanup agents and other
37 technologies, their potential public health and safety and
38 environmental impacts, and any other relevant factors concerning
39 their use in oil spill response. In conducting these workshops, the
40 administrator shall solicit the views of all participating parties

1 concerning the use of these technologies, with particular attention
2 to any special considerations that apply to coastal areas and ~~marine~~
3 waters of the state.

4 (2) The administrator shall publish guidelines and conduct
5 periodic reviews of the policies, procedures, and parameters for
6 the use of in situ burning, which may be implemented in the event
7 of an oil spill.

8 (h) (1) The administrator shall ensure that, as part of the
9 response to any significant spill, biologists or other personnel are
10 present and provided any support and funding necessary and
11 appropriate for the assessment of damages to natural resources
12 and for the collection of data and other evidence that may help in
13 determining and recovering damages.

14 (2) (A) The administrator shall coordinate all actions required
15 by state or local agencies to assess injury to, and provide full
16 mitigation for injury to, or to restore, rehabilitate, or replace, natural
17 resources, including wildlife, fisheries, wildlife or fisheries habitat,
18 ~~and beaches~~ *beaches*, and ~~other~~ coastal areas, that are damaged by
19 an oil spill. For purposes of this subparagraph, “actions required
20 by state or local agencies” include, but are not limited to, actions
21 required by state trustees under Section 1006 of the Oil Pollution
22 Act of 1990 (33 U.S.C. Sec. 2706) and actions required pursuant
23 to Section 8670.61.5.

24 (B) The responsible party shall be liable for all coordination
25 costs incurred by the administrator.

26 (3) This subdivision does not give the administrator any
27 authority to administer state or local laws or to limit the authority
28 of another state or local agency to implement and enforce state or
29 local laws under its jurisdiction, nor does this subdivision limit
30 the authority or duties of the administrator under this chapter or
31 limit the authority of an agency to enforce existing permits or
32 permit conditions.

33 (i) (1) The administrator shall enter into a memorandum of
34 understanding with the executive director of the State Water
35 Resources Control Board, acting for the State Water Resources
36 Control Board and the California regional water quality control
37 boards, and with the approval of the State Water Resources Control
38 Board, to address discharges, other than dispersants, that are
39 incidental to, or directly associated with, the response, containment,

1 and cleanup of an existing or threatened oil spill conducted
2 pursuant to this chapter.

3 (2) The memorandum of understanding entered into pursuant
4 to paragraph (1) shall address any permits, requirements, or
5 authorizations that are required for the specified discharges. The
6 memorandum of understanding shall be consistent with
7 requirements that protect state water quality and beneficial uses
8 and with any applicable provisions of the Porter-Cologne Water
9 Quality Control Act (Division 7 (commencing with Section 13000)
10 of the Water Code) or the federal Clean Water Act (33 U.S.C. Sec.
11 1251 et seq.), and shall expedite efficient oil spill response.

12 ~~(j) This section shall become effective on January 1, 2012.~~

13 SEC. 9. Section 8670.7.5 is added to the Government Code, to
14 read:

15 8670.7.5. (a) The administrator may adopt regulations to
16 implement this chapter pursuant to the Administrative Procedure
17 Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of
18 Division 3).

19 (b) (1) An emergency regulation adopted pursuant to
20 amendments made to this chapter by Assembly Bill 1466 of the
21 2013–14 Regular Session shall be deemed an emergency and
22 necessary to avoid serious harm to the public peace, health, safety,
23 or general welfare for the purposes of Sections 11346.1 and
24 11349.6, and the administrator is hereby exempt from the
25 requirement that he or she describe facts showing the need for
26 immediate action and from review by the Office of Administrative
27 Law.

28 (2) Notwithstanding Section 11346.1, an emergency regulation
29 adopted pursuant to paragraph (1) shall remain in effect for 12
30 months or until readopted by the administrator, whichever is
31 earlier.

32 SEC. 10. Section 8670.8 of the Government Code is amended
33 to read:

34 8670.8. (a) The administrator shall carry out programs to
35 provide training for individuals in response, containment, and
36 cleanup operations and equipment, equipment deployment, and
37 the planning and management of these programs. These programs
38 may include training for members of the California Conservation
39 Corps, other response personnel employed by the state, personnel
40 employed by other public entities, personnel from marine facilities,

1 commercial fishermen and other mariners, and interested members
2 of the public. Training may be offered for volunteers.

3 (b) The administrator may offer training to anyone who is
4 required to take part in response and cleanup efforts under the
5 California oil spill contingency plan or under local government
6 contingency plans prepared and approved under this chapter.

7 (c) Upon request by a local government, the administrator ~~shall~~
8 *may* provide a program for training and certification of a local
9 emergency responder designated as a local spill response manager
10 by a local government with jurisdiction over or directly adjacent
11 to ~~marine~~ waters of the state.

12 (d) Trained and certified local spill response managers shall
13 participate in all drills upon request of the administrator.

14 (e) As part of the training and certification program, the
15 administrator shall authorize a local spill response manager to train
16 and certify volunteers.

17 (f) In the event of an oil spill, local spill response managers
18 trained and certified pursuant to subdivision (c) shall provide the
19 state onscene coordinator with timely information on activities
20 and resources deployed by local government in response to the oil
21 spill. The local spill response manager shall cooperate with the
22 administrator and respond in a manner consistent with the area
23 contingency plan to the extent possible.

24 (g) Funding for activities undertaken pursuant to subdivisions
25 (a) to (c), inclusive, shall be from the Oil Spill Prevention and
26 Administration Fund created pursuant to Section 8670.38.

27 (h) All training provided by the administrator shall follow the
28 requirements of applicable federal and state occupational safety
29 and health standards adopted by the Occupational Safety and
30 Health Administration of the Department of Labor and the
31 ~~California Occupational Safety~~, *Occupational Safety* and Health
32 Standards Board.

33 *SEC. 11. Section 8670.8.3 of the Government Code is amended*
34 *to read:*

35 8670.8.3. The administrator ~~shall~~ *may* offer grants to a local
36 government with jurisdiction over or directly adjacent to ~~marine~~
37 waters of the state to provide oil spill response equipment to be
38 deployed by a local spill response manager certified pursuant to
39 Section 8670.8. The administrator ~~shall~~ *may* request the Legislature
40 to appropriate funds from the Oil Spill Prevention and

1 Administration Fund created pursuant to Section 8670.38 for the
2 purposes of this section.

3 *SEC. 12. Section 8670.8.5 of the Government Code is amended*
4 *to read:*

5 8670.8.5. The administrator may use volunteer workers in
6 response, containment, restoration, wildlife rehabilitation, and
7 cleanup efforts for oil spills in ~~marine~~ waters of the state. The
8 volunteers shall be deemed employees of the state for the purpose
9 of workers' compensation under Article 2 (commencing with
10 Section 3350) of Chapter 2 of Part 1 of Division 4 of the Labor
11 Code. Any payments for workers' compensation pursuant to this
12 section shall be made from the Oil Spill Response Trust Fund
13 created pursuant to Section 8670.46.

14 *SEC. 13. Section 8670.9 of the Government Code is amended*
15 *to read:*

16 8670.9. (a) The administrator shall enter into discussions on
17 behalf of the state with the States of Alaska, Hawaii, Oregon, and
18 Washington, for the purpose of developing interstate agreements
19 regarding oil spill prevention and response. The agreements shall
20 address, including, but not limited to, all of the following:

21 (1) Coordination of vessel safety and traffic.

22 (2) Spill prevention equipment and response required on ~~tank~~
23 ~~ships and tank barges and at terminals~~ vessels and at facilities.

24 (3) The availability of oil spill response and cleanup equipment
25 and personnel.

26 (4) Other matters that may relate to the transport of oil and oil
27 spill prevention, response, and cleanup.

28 (b) The administrator shall coordinate the development of these
29 agreements with the Coast Guard, the Province of British Columbia
30 in Canada, and the Republic of Mexico.

31 *SEC. 14. Section 8670.12 of the Government Code is amended*
32 *to read:*

33 8670.12. (a) The administrator shall conduct studies and
34 evaluations necessary for improving oil spill response, containment,
35 and cleanup and oil spill wildlife rehabilitation in ~~marine~~ waters
36 of the state and ~~marine~~ oil transportation systems. The administrator
37 may expend moneys from the Oil Spill Prevention and
38 Administration Fund created pursuant to Section 8670.38, enter
39 into consultation agreements, and acquire necessary equipment

1 and services for the purpose of carrying out these studies and
2 evaluations.

3 (b) The administrator shall study the use and effects of
4 dispersants, incineration, bioremediation, and any other methods
5 used to respond to a spill. The study shall periodically be updated
6 to ensure the best achievable protection from the use of those
7 methods. Based upon substantial evidence in the record, the
8 administrator may determine in individual cases that best
9 achievable protection is provided by establishing requirements
10 ~~which~~ *that* provide the greatest degree of protection achievable
11 without imposing costs ~~which~~ *that* significantly outweigh the
12 incremental protection that would otherwise be provided. The
13 studies shall do all of the following:

14 (1) Evaluate the effectiveness of dispersants and other chemical
15 agents in oil spill response under varying environmental conditions.

16 (2) Evaluate potential adverse impacts on the environment and
17 public health including, but not limited to, adverse toxic impacts
18 on water quality, fisheries, and wildlife with consideration to
19 bioaccumulation and synergistic impacts, and the potential for
20 human exposure, including skin contact and consumption of
21 contaminated seafood.

22 (3) Recommend appropriate uses and limitations on the use of
23 dispersants and other chemical agents to ensure they are used only
24 in situations where the administrator determines they are effective
25 and safe.

26 (c) The administrator shall evaluate the feasibility of using
27 commercial fishermen and other mariners for oil spill containment
28 and cleanup. The study shall examine the following:

29 (1) Equipment and technology needs.

30 (2) Coordination with private response personnel.

31 (3) Liability and insurance.

32 (4) Compensation.

33 (d) The studies shall be performed in conjunction with any
34 studies performed by federal, state, and international entities. The
35 administrator may enter into contracts for the studies.

36 *SEC. 15. Section 8670.14 of the Government Code is amended*
37 *to read:*

38 8670.14. The administrator shall coordinate the oil spill
39 prevention and response programs and ~~marine~~ facility, tank vessel,

1 and nontank vessel safety standards of the state with federal
2 programs *as appropriate and* to the maximum extent possible.

3 *SEC. 16. Section 8670.19 of the Government Code is amended*
4 *to read:*

5 8670.19. (a) The administrator shall periodically conduct a
6 comprehensive review of all oil spill contingency plans. The
7 administrator shall do both of the following:

8 (1) Segment the ~~coast~~ *state* into appropriate areas as necessary.

9 (2) Evaluate the oil spill contingency plans for each area to
10 determine if deficiencies exist in equipment, personnel, training,
11 and any other area determined to be necessary, including those
12 response resources properly authorized for cascading into the area,
13 to ensure the best achievable protection of ~~the coastline, set forth~~
14 ~~in the California oil spill contingency plan, including the marine~~
15 ~~oil spill contingency planning section~~ *state waters from oil spills.*

16 (b) If the administrator finds that deficiencies exist, the
17 administrator shall, by the process set forth in Section 8670.31,
18 remand any oil spill contingency plans to the originating party
19 with recommendations for amendments necessary to ensure that
20 ~~the coastline is~~ *waters of the state* are protected.

21 *SEC. 17. Section 8670.25 of the Government Code is amended*
22 *to read:*

23 8670.25. (a) A person who, without regard to intent or
24 negligence, causes or permits any oil to be discharged in or on the
25 ~~marine waters or inland~~ waters of the state shall immediately
26 contain, clean up, and remove the oil in the most effective manner
27 that minimizes environmental damage and in accordance with the
28 applicable contingency plans, unless ordered otherwise by the
29 Coast Guard or the administrator.

30 (b) If there is a spill, an owner or operator shall comply with
31 the applicable oil spill contingency plan approved by the
32 administrator.

33 *SEC. 18. Section 8670.25.5 of the Government Code is*
34 *amended to read:*

35 8670.25.5. (a) (1) Without regard to intent or negligence, any
36 party responsible for the discharge or threatened discharge of oil
37 ~~in marine waters of the state~~ shall report the discharge immediately
38 to the Office of Emergency Services pursuant to ~~Section 25507~~
39 ~~25510~~ of the Health and Safety Code.

(2) If the information initially reported pursuant to paragraph (1) was inaccurate or incomplete, or if the quantity of oil discharged has changed, any party responsible for the discharge or threatened discharge of oil in ~~marine~~ waters *of the state* shall report the updated information immediately to the Office of Emergency Services pursuant to paragraph (1). The report shall contain the accurate or complete information, or the revised quantity of oil discharged.

(b) Immediately upon receiving notification pursuant to subdivision (a), the Office of Emergency Services shall notify the administrator, the State Lands Commission, the California Coastal Commission, the California regional water quality control board having jurisdiction over the location of the discharged oil, and the appropriate local governmental agencies in the area surrounding the discharged oil, and take the actions required by subdivision (d) of Section 8589.7. If the spill has occurred within the jurisdiction of the San Francisco Bay Conservation and Development Commission, the Office of Emergency Services shall notify that commission. Each public agency specified in this subdivision shall adopt an internal protocol over communications regarding the discharge of oil and file the internal protocol with the Office of Emergency Services.

(c) The 24-hour emergency telephone number of the Office of Emergency Services shall be posted at every *railroad dispatch*, *pipeline operator control center*, and *marine* terminal, at the area of control of every marine facility, and on the bridge of every tankship in marine waters.

~~(d) This section does not apply to discharges, or potential discharges, of less than one barrel (42 gallons) of oil unless a more restrictive reporting standard is adopted in the California oil spill contingency plan prepared pursuant to Section 8574.1.~~

(e)

(d) Except as otherwise provided in this section and Section 8589.7, a notification made pursuant to this section shall satisfy any immediate notification requirement contained in any permit issued by a permitting agency.

SEC. 19. Section 8670.26 of the Government Code is amended to read:

8670.26. Any local or state agency responding to ~~a spill of an~~ oil *spill* shall notify the Office of Emergency Services, if

1 notification ~~as~~ is required under Section 8670.25.5, Section 13272
2 of the Water Code, or any other notification procedure adopted in
3 the California oil spill contingency plan has not occurred.

4 *SEC. 20. Section 8670.27 of the Government Code is amended*
5 *to read:*

6 8670.27. (a) (1) All potentially responsible parties for
7 ~~discharged~~ an oil spill and all of their agents and employees and
8 all state and local agencies shall carry out response and cleanup
9 operations in accordance with the applicable contingency plan,
10 unless directed otherwise by the administrator or the Coast Guard.

11 (2) Except as provided in subdivision (b), the responsible party,
12 potentially responsible parties, their agents and employees, the
13 operators of all vessels docked at a marine facility that is the source
14 of a discharge, and all state and local agencies shall carry out spill
15 response consistent with the California oil spill contingency plan
16 or other applicable federal, state, or local spill response plans, and
17 owners and operators shall carry out spill response consistent with
18 their applicable response contingency plans, unless directed
19 otherwise by the administrator or the Coast Guard.

20 (b) If a responsible party or potentially responsible party
21 reasonably, and in good faith, believes that the directions or orders
22 given by the administrator pursuant to subdivision (a) will
23 substantially endanger the public safety or the environment, the
24 party may refuse to act in compliance with the orders or directions
25 of the administrator. The responsible party or potentially
26 responsible party shall state, at the time of the refusal, the reasons
27 why the party refuses to follow the orders or directions of the
28 administrator. The responsible party or potentially responsible
29 party shall give the administrator written notice of the reasons for
30 the refusal within 48 hours of refusing to follow the orders or
31 directions of the administrator. In any civil or criminal proceeding
32 commenced pursuant to this section, the burden of proof shall be
33 on the responsible party or potentially responsible party to
34 demonstrate, by clear and convincing evidence, why the refusal
35 to follow the orders or directions of the administrator was justified
36 under the circumstances.

37 *SEC. 21. Section 8670.28 of the Government Code is amended*
38 *to read:*

39 8670.28. (a) The administrator, taking into consideration the
40 ~~marine~~ facility or vessel contingency plan requirements of the

1 ~~national and California contingency plans~~, the State Lands
2 Commission, the *Office of the State Fire Marshal*, ~~and the~~
3 *California Coastal Commission, and other state and federal*
4 *agencies*, shall adopt and implement regulations governing the
5 adequacy of oil spill contingency plans to be prepared and
6 implemented under this article. All regulations shall be developed
7 in consultation with the Oil Spill Technical Advisory Committee,
8 and shall be consistent with the California oil spill contingency
9 plan and not in conflict with the National Contingency Plan. The
10 regulations shall provide for the best achievable protection of
11 ~~coastal and marine waters and natural resources of the state~~. The
12 regulations shall permit the development, application, and use of
13 an oil spill contingency plan for similar vessels, pipelines,
14 terminals, and facilities within a single company or organization,
15 and across companies and organizations. The regulations shall, at
16 a minimum, ensure all of the following:

17 (1) All areas of ~~the marine state waters of the state~~ are at all
18 times protected by prevention, response, containment, and cleanup
19 equipment and operations. ~~For the purposes of this section, "marine~~
20 ~~waters" includes the waterways used for waterborne commercial~~
21 ~~vessel traffic to the Port of Stockton and the Port of Sacramento.~~

22 (2) Standards set for response, containment, and cleanup
23 equipment and operations are maintained and regularly improved
24 to protect the resources of the state.

25 (3) All appropriate personnel employed by operators required
26 to have a contingency plan receive training in oil spill response
27 and cleanup equipment usage and operations.

28 (4) Each oil spill contingency plan provides for appropriate
29 financial or contractual arrangements for all necessary equipment
30 ~~and services~~, *services* for the response, containment, and cleanup
31 of a reasonable worst case oil spill scenario for each ~~part of the~~
32 ~~coast area~~ the plan addresses.

33 (5) Each oil spill contingency plan demonstrates that all
34 protection measures are being taken to reduce the possibility of
35 an oil spill occurring as a result of the operation of the ~~marine~~
36 facility or vessel. The protection measures shall include, but not
37 be limited to, response to disabled vessels and an identification of
38 those measures taken to comply with requirements of Division 7.8
39 (commencing with Section 8750) of the Public Resources Code.

1 (6) Each oil spill contingency plan identifies the types of
2 equipment that can be used, the location of the equipment, and the
3 time taken to deliver the equipment.

4 (7) Each ~~marine~~ facility, *as determined by the administrator,*
5 conducts a hazard and operability study to identify the hazards
6 associated with the operation of the facility, including the use of
7 the facility by vessels, due to operating error, equipment failure,
8 and external events. For the hazards identified in the hazard and
9 operability studies, the facility shall conduct an offsite consequence
10 analysis—~~which~~ *that*, for the most likely hazards, assumes
11 pessimistic water and air dispersion and other adverse
12 environmental conditions.

13 (8) Each oil spill contingency plan contains a list of contacts to
14 call in the event of a drill, threatened discharge of oil, or discharge
15 of oil.

16 (9) Each oil spill contingency plan identifies the measures to
17 be taken to protect the recreational and environmentally sensitive
18 areas that would be threatened by a reasonable worst case oil spill
19 scenario.

20 (10) Standards for determining a reasonable worst case oil spill.
21 *However, for a nontank vessel, the reasonable worst case is a spill*
22 *of the total volume of the largest fuel tank on the nontank vessel.*

23 ~~(11) Each oil spill contingency plan includes a timetable for~~
24 ~~implementing the plan.~~

25 ~~(12)~~
26 ~~(11)~~ Each oil spill contingency plan specifies an agent for service
27 of process. The agent shall be located in this state.

28 (b) The regulations and guidelines adopted pursuant to this
29 section shall also include provisions to provide public review and
30 comment on submitted oil spill contingency ~~plans prior to approval.~~
31 *plans.*

32 (c) The regulations adopted pursuant to this section shall
33 specifically address the types of equipment that will be necessary,
34 the maximum time that will be allowed for deployment, the
35 maximum distance to cooperating response entities, the amounts
36 of dispersant, and the maximum time required for application,
37 should the use of dispersants be approved. Upon a determination
38 by the administrator that booming is appropriate at the site and
39 necessary to provide best achievable protection, the regulations

1 shall require that vessels engaged in lightering operations be
2 boomed prior to the commencement of operations.

3 (d) The administrator shall adopt regulations and guidelines for
4 oil spill contingency plans with regard to mobile transfer units,
5 small marine fueling facilities, and vessels carrying oil as secondary
6 cargo that acknowledge the reduced risk of damage from oil spills
7 from those units, facilities, and vessels while maintaining the best
8 achievable protection for the public health and safety and the
9 environment.

10 (e) The regulations adopted pursuant to subdivision (d) shall be
11 exempt from review by the Office of Administrative Law.
12 Subsequent amendments and changes to the regulations shall not
13 be exempt from *review by the Office of Administrative Law review*.
14 *Law*.

15 ~~(f) This section shall become effective on January 1, 2012.~~

16 *SEC. 22. Section 8670.29 of the Government Code is amended*
17 *to read:*

18 8670.29. (a) In accordance with the rules, regulations, and
19 policies established by the administrator pursuant to Section
20 8670.28, an owner or operator of a ~~marine~~ facility, small marine
21 fueling facility, or mobile transfer unit, ~~prior to operating in the~~
22 ~~marine waters of the state or where an oil spill could impact marine~~
23 ~~waters; and or~~ an owner or operator of a tank vessel, nontank
24 vessel, or vessel carrying oil as secondary cargo, ~~before while~~
25 operating in the ~~marine~~ waters of the state ~~or where a spill could~~
26 ~~impact waters of the state~~, shall ~~prepare and implement~~ have an
27 oil spill contingency plan that has been submitted to, and approved
28 by, the administrator pursuant to Section 8670.31. An oil spill
29 contingency plan shall ensure the undertaking of prompt and
30 adequate response and removal action in case of ~~an oil~~ a spill, shall
31 be consistent with the California oil spill contingency plan, and
32 shall not conflict with the National Oil and Hazardous Substances
33 Pollution Contingency Plan (NCP).

34 (b) An oil spill contingency plan shall, at a minimum, meet all
35 of the following requirements:

36 (1) Be a written document, reviewed for feasibility and
37 executability, and signed by the owner or operator, ~~or their~~ *his or*
38 *her* designee.

39 (2) Provide for the use of an incident command system to be
40 used during a spill.

1 (3) Provide procedures for reporting oil spills to local, state,
2 and federal agencies, and include a list of contacts to call in the
3 event of a drill, threatened spill, or spill.

4 (4) Describe the communication plans to be used during a spill,
5 *if different from those used by a recognized incident command*
6 *system.*

7 (5) Describe the strategies for the protection of environmentally
8 sensitive areas.

9 (6) Identify at least one rated OSRO for each rating level
10 established pursuant to Section 8670.30. Each identified rated
11 OSRO shall be directly responsible by contract, agreement, or
12 other approved means to provide oil spill response activities
13 pursuant to the oil spill contingency plan. A rated OSRO may
14 provide oil spill response activities individually, or in combination
15 with another rated OSRO, for a particular owner or operator.

16 (7) Identify a qualified individual.

17 (8) Provide the name, address, and telephone and facsimile
18 numbers for an agent for service of process, located within the
19 state and designated to receive legal documents on behalf of the
20 owner or operator.

21 (9) Provide for training and drills on elements of the plan at
22 least annually, with all elements of the plan subject to a drill at
23 least once every three years.

24 (c) An oil spill contingency plan for a vessel shall also include,
25 but is not limited to, all of the following requirements:

26 (1) The plan shall be submitted to the administrator at least
27 seven days prior to the vessel entering waters of the state.

28 (2) The plan shall provide evidence of compliance with the
29 International Safety Management Code, established by the
30 International Maritime Organization, as applicable.

31 (3) If the oil spill contingency plan is for a tank vessel, the plan
32 shall include both of the following:

33 (A) The plan shall specify oil and petroleum cargo capacity.

34 (B) The plan shall specify the types of oil and petroleum cargo
35 carried.

36 (4) If the oil spill contingency plan is for a nontank vessel, the
37 plan shall include both of the following:

38 (A) The plan shall specify the type and total amount of fuel
39 carried.

40 (B) The plan shall specify the capacity of the largest fuel tank.

(d) An oil spill contingency plan for a ~~marine~~ facility shall also include, but is not limited to, all of the following provisions, *as appropriate*:

- (1) Provisions for site security and control.
- (2) Provisions for emergency medical treatment and first aid.
- (3) Provisions for safety training, as required by state and federal safety laws for all personnel likely to be engaged in oil spill response.
- (4) Provisions detailing site layout and locations of environmentally sensitive areas requiring special protection.
- (5) Provisions for vessels that are in the operational control of the facility for loading and unloading.

(e) Unless preempted by federal law or regulations, an oil spill contingency plan for a railroad also shall include, but is not limited to, all of the following:

- (1) A list of the types of train cars that may make up the consist.*
- (2) A list of the types of oil and petroleum products that may be transported.*
- (3) A map of track routes and facilities.*
- (4) A list, description, and map of any prestaged spill response equipment and personnel for deployment of the equipment.*

~~(e)~~
(f) The oil spill contingency plan shall be available to response personnel and to relevant state and federal agencies for inspection and review.

~~(f)~~
(g) The oil spill contingency plan shall be reviewed periodically and updated as necessary. All updates shall be submitted to the administrator pursuant to this article.

~~(g)~~
(h) In addition to the regulations adopted pursuant to Section 8670.28, the administrator shall adopt regulations and guidelines to implement this section. The regulations and guidelines shall provide for the best achievable protection of ~~coastal and marine~~ *waters and natural resources of the state*. The administrator may establish additional oil spill contingency plan requirements, including, but not limited to, requirements based on the different geographic regions of the state. All regulations and guidelines shall be developed in consultation with the Oil Spill Technical Advisory Committee.

1 ~~(h) This section shall become operative on January 1, 2012.~~

2 (i) *Notwithstanding subdivision (a) and paragraph (6) of*
3 *subdivision (b), a vessel or facility operating where a spill could*
4 *impact state waters that are not tidally influenced shall identify a*
5 *rated OSRO in the contingency plan no later than January 1, 2016.*

6 SEC. 23. *Section 8670.30.5 of the Government Code is*
7 *amended to read:*

8 8670.30.5. (a) The administrator may review each oil spill
9 contingency plan that has been approved pursuant to Section
10 8670.29 to determine whether it complies with Sections 8670.28
11 and 8670.29.

12 (b) If the administrator finds the approved oil spill contingency
13 plan is deficient, the plan shall be returned to the operator with
14 written reasons why the approved plan was found inadequate and,
15 if practicable, suggested modifications or alternatives. The operator
16 shall submit a new or modified plan within ~~90~~ 30 days that
17 responds to the deficiencies identified by the administrator.

18 SEC. 24. *Section 8670.31 of the Government Code is amended*
19 *to read:*

20 8670.31. (a) Each oil spill contingency plan required under
21 this article shall be submitted to the administrator ~~before a tank~~
22 ~~vessel, nontank vessel, or vessel carrying oil as secondary cargo~~
23 ~~operates in the marine waters of the state, or before a marine~~
24 ~~facility, small marine fueling facility, or mobile transfer unit,~~
25 ~~operates in the marine waters of the state or where an oil spill~~
26 ~~therefrom could impact marine waters for review and approval.~~

27 (b) The administrator shall review each submitted contingency
28 plan to determine whether it complies with the administrator's
29 rules, policies, and regulations adopted pursuant to Section 8670.28
30 and 8670.29. *The administrator may issue a preliminary approval*
31 *pending final approval or disapproval.*

32 (c) Each contingency plan submitted shall be approved or
33 disapproved within ~~180~~ 30 days after receipt by the administrator.
34 The administrator may approve or disapprove portions of a plan.
35 A plan is not deemed approved until all portions are approved
36 pursuant to this section. The disapproved portion shall be subject
37 to the procedures contained in subdivision (d).

38 (d) If the administrator finds the submitted contingency plan is
39 inadequate under the rules, policies, and regulations of the
40 administrator, the plan shall be returned to the submitter with

1 written reasons why the plan was found inadequate and, if
2 practicable, suggested modifications or alternatives, if appropriate.
3 The submitter shall submit a new or modified plan within ~~90~~ 30
4 days after the earlier plan was returned, responding to the findings
5 and incorporating any suggested modifications. The resubmittal
6 shall be treated as a new submittal and processed according to the
7 provisions of this section, except that the resubmitted plan shall
8 be deemed approved unless the administrator acts pursuant to
9 subdivision (c). ~~Failure to gain approval after the second~~
10 ~~submission may be determined by the administrator to be a~~
11 ~~violation of this chapter.~~

12 (e) The administrator may make inspections and require drills
13 of any oil spill contingency plan that is submitted.

14 (f) After the plan has been approved, it shall be resubmitted
15 every five years thereafter. The administrator may require earlier
16 or more frequent resubmission, if warranted. Circumstances that
17 would require an earlier resubmission include, but are not limited
18 to, changes in regulations, new oil spill response technologies,
19 deficiencies identified in the evaluation conducted pursuant to
20 Section 8670.19, or a need for a different oil spill response because
21 of increased need to protect endangered species habitat. The
22 administrator may deny approval of the resubmitted plan if it is
23 no longer considered adequate according to the adopted rules,
24 regulations, and policies of the administrator at the time of
25 resubmission.

26 (g) ~~(1)~~ Each *owner or operator* of a tank vessel, *nontank* vessel
27 carrying oil as a secondary cargo, or ~~marine~~ facility who is required
28 to file an oil spill response plan or update pursuant to provisions
29 of federal law regulating ~~marine~~ oil spill response plans shall, ~~for~~
30 ~~informational purposes only~~, submit, *for informational purposes*
31 *only and upon request of the administrator*, a copy of that plan or
32 update to the administrator at the time that it is approved by the
33 relevant federal agency.

34 ~~(2) A tank vessel, vessel carrying oil as a secondary cargo, or~~
35 ~~marine facility operator is not required to submit a copy of the~~
36 ~~response plan or update specified in paragraph (1) to the~~
37 ~~administrator if either the vessel or facility is exempt from having~~
38 ~~to file a response plan with the state, or if the content of the plan~~
39 ~~submitted by the operator pursuant to Section 8670.29 is~~
40 ~~substantially the same as the federal response plan or update.~~

1 *SEC. 25. Section 8670.32 of the Government Code is amended*
2 *to read:*

3 8670.32. (a) To reduce the risk of an oil spill as a result of
4 fuel, cargo, and lube oil transfers, the administrator shall develop
5 and implement a screening mechanism and a comprehensive
6 risk-based monitoring program for inspecting the bunkering and
7 lightering operations of vessels at anchor and alongside a dock.
8 This program shall identify those bunkering and lightering
9 operations that pose the highest risk of a pollution incident.

10 (b) The administrator shall ensure that all bunkering and
11 lightering operations that, pursuant to subdivision (a), pose the
12 highest risk of a pollution incident are routinely monitored and
13 inspected. The administrator shall coordinate the monitoring and
14 inspection program with the ~~United States~~ Coast Guard.

15 (c) The administrator shall establish regulations to provide for
16 the best achievable protection during bunkering and lightering
17 ~~operations in the marine environment.~~ *operations.*

18 (d) This section shall remain in effect only until January 1, 2015,
19 and as of that date is repealed, unless a later enacted statute, that
20 is enacted before January 1, 2015, deletes or extends that date.

21 *SEC. 26. Section 8670.33 of the Government Code is amended*
22 *to read:*

23 8670.33. (a) If the operator of a tank ship or tank barge for
24 which a contingency plan has not been approved desires to have
25 the tank ship or tank barge enter ~~marine~~ waters of the state, the
26 administrator may give approval by telephone or facsimile machine
27 for the entry of the tank ship or tank barge into ~~marine~~ waters of
28 *the state* under an approved contingency plan applicable to a
29 terminal or tank ship, if all of the following are met:

30 (1) The terminal or tank ship is the destination of the tank ship
31 or tank barge.

32 (2) The operator of the terminal or the tank ship provides the
33 administrator advance written assurance that the operator assumes
34 all responsibility for the operations of the tank ship or tank barge
35 while it is in ~~marine~~ waters of *the state* traveling to or from the
36 terminal. The assurance may be delivered by hand or by mail or
37 may be sent by facsimile machine, followed by delivery of the
38 original.

1 (3) The approved terminal or tank ship contingency plan
2 includes all conditions the administrator requires for the operations
3 of tank ship or tank barges traveling to and from the terminal.

4 (4) The tank ship or tank barge and its operations meet all
5 requirements of the contingency plan for the tank ship or terminal
6 that is the destination of the tank ship or tank barge.

7 (5) The tank ship or tank barge without an approved contingency
8 plan has not entered ~~marine~~ waters of the state more than once in
9 the 12-month period preceding the request made under this section.

10 (b) At all times that a tank ship or tank barge is in ~~marine~~ waters
11 of the state pursuant to subdivision (a), its operators and all their
12 agents and employees shall operate the vessel in accordance with
13 the applicable operations manual or, if there is an oil spill, in
14 accordance with the directions of the administrator and the
15 applicable contingency plan.

16 SEC. 27. Section 8670.34 of the Government Code is amended
17 to read:

18 8670.34. This article shall not apply to any tank vessel, nontank
19 vessel, or vessel carrying oil as a secondary cargo that enters
20 ~~marine~~ waters of the state because of imminent danger to the lives
21 of crew members or if entering ~~marine~~ waters of the state will
22 substantially aid in preventing an oil spill or other harm to public
23 safety or the environment, if the operators of the tank vessel,
24 nontank vessel, or vessel carrying oil as a secondary cargo comply
25 with all of the following:

26 (a) The operators or crew of the tank vessel, nontank vessel, or
27 vessel carrying oil as a secondary cargo ~~complies~~ comply at all
28 times with all orders and directions given by the administrator, or
29 his or her designee, while the tank vessel, nontank vessel, or vessel
30 carrying oil as a secondary cargo is in ~~marine~~ waters of the state,
31 unless the orders or directions are contradicted by orders or
32 directions of the Coast Guard.

33 (b) Except for fuel, oil may be transferred to or from the tank
34 vessel, nontank vessel, or vessel carrying oil as a secondary cargo
35 while it is in ~~marine~~ waters of the state only if permission is
36 obtained for the transfer of oil and one of the following conditions
37 is met:

38 (1) The transfer is necessary for the safety of the crew.

39 (2) The transfer is necessary to prevent harm to public safety
40 or the environment.

(3) An oil spill contingency plan is approved or made applicable to the tank vessel, nontank vessel, or vessel carrying oil as a secondary cargo, under subdivision (c).

(c) The tank vessel, nontank vessel, or vessel carrying oil as a secondary cargo shall leave the ~~marine~~ waters of the state as soon as it may do so without imminent risk of harm to the crew, public safety, or the environment, unless an oil spill contingency plan is approved or made applicable to it under this article.

SEC. 28. Section 8670.35 of the Government Code is amended to read:

8670.35. (a) The administrator, taking into consideration the California oil spill contingency plan, shall promulgate regulations regarding the adequacy of oil spill ~~contingency plan~~ elements of ~~business and hazardous materials~~ area plans required pursuant to Section 25503 of the Health and Safety Code. In developing the ~~guidelines, regulations~~, the administrator shall consult with the Oil Spill Technical Advisory Committee.

(b) ~~Any local government~~ *The administrator may offer, to a unified program agency with jurisdiction over or directly adjacent to marine waters may apply for of the state*, a grant to complete, update, or revise an oil spill ~~contingency plan~~ element *of the area plan*.

(c) ~~Each contingency plan oil spill~~ element established under this section shall include provisions for training fire and police personnel in oil spill response and cleanup equipment use and operations.

(d) ~~Each contingency plan oil spill~~ element prepared under this section shall be consistent with the local government's local coastal program as certified under Section 30500 of the Public Resources Code, the California oil spill contingency plan, and the National Contingency Plan.

(e) ~~The~~ *If a grant is awarded, the* administrator shall review and approve each ~~contingency plan oil spill~~ element established pursuant to this section. If, upon review, the administrator determines that the ~~contingency plan oil spill~~ element is inadequate, the administrator shall return it to the agency that prepared it, specifying the nature and extent of the inadequacies, and, if practicable, suggesting modifications. ~~The local government unified program agency shall submit a new or modified plan element~~

1 within 90 days after the ~~plan~~ *element* was returned, responding to
2 the findings and incorporating any suggested modifications.

3 (f) The administrator shall review the preparedness of ~~local~~
4 ~~governments unified program agencies~~ to determine whether a
5 program of grants for completing oil spill ~~contingency plan~~
6 elements is desirable and should be continued. If the administrator
7 determines that local government preparedness should be improved,
8 the administrator shall request the Legislature to appropriate funds
9 from the Oil Spill Prevention and Administration Fund for the
10 purposes of this section.

11 ~~(g) This section shall become operative on January 1, 2012.~~

12 SEC. 29. *Section 8670.36 of the Government Code is amended*
13 *to read:*

14 8670.36. ~~(a)~~ The administrator shall, within five working days
15 after receipt of a contingency plan prepared pursuant to Section
16 8670.28 or 8670.35, ~~send post~~ a notice that the plan is available
17 for review ~~to the Oil Spill Technical Advisory Committee~~. The
18 administrator shall send a copy of the plan within two working
19 days after receiving a request from the Oil Spill Technical Advisory
20 Committee. The State Lands Commission and the California
21 Coastal Commission shall review the plans for facilities or local
22 governments within the coastal zone. The San Francisco Bay
23 Conservation and Development Commission shall review the plans
24 for ~~marine~~ facilities or local governments within the area described
25 in Sections 66610 and 29101 of the Public Resources Code. Any
26 state agency or committee that comments shall submit its comments
27 to the administrator within ~~60~~ 15 days of receipt of the plan. The
28 administrator shall consider all ~~comments in approving or~~
29 ~~disapproving the plan.~~ *comments.*

30 ~~(b) This section shall become operative on January 1, 2012.~~

31 SEC. 30. *Section 8670.37 of the Government Code is amended*
32 *to read:*

33 8670.37. (a) The administrator, with the assistance of the State
34 Lands Commission, the California Coastal Commission, ~~and~~ the
35 executive director of the San Francisco Bay Conservation and
36 Development Commission, *or other appropriate agency*, shall
37 carry out studies with regard to improvements to contingency
38 planning and oil spill response equipment and operations.

39 (b) To the greatest extent possible, these studies shall be
40 coordinated with studies being done by the federal government,

1 and other appropriate state and international entities, and
2 duplication with the efforts of other entities shall be minimized.

3 (c) The administrator, the State Lands Commission, the
4 California Coastal Commission, ~~and the Executive Director~~
5 *executive director* of the San Francisco Bay Conservation and
6 Development Commission, *or other appropriate agency* may be
7 reimbursed for all costs incurred in carrying out the studies under
8 this section from the Oil Spill Prevention and Administration Fund.

9 *SEC. 31. Section 8670.37.5 of the Government Code is*
10 *amended to read:*

11 8670.37.5. (a) The administrator shall establish a network of
12 rescue and rehabilitation stations for ~~sea birds~~, *wildlife injured by*
13 *oil spills, including sea otters*, ~~otters~~ and other marine mammals.
14 In addition to rehabilitative care, the primary focus of the Oiled
15 Wildlife Care Network shall include proactive oiled wildlife search
16 and collection rescue efforts. These facilities shall be established
17 and maintained in a state of preparedness to provide the best
18 achievable treatment for ~~marine mammals~~ *wildlife, mammals*, and
19 birds affected by an oil spill in ~~marine~~ *waters of the state*. The
20 administrator shall consider all feasible management alternatives
21 for operation of the network.

22 (b) (1) The first rescue and rehabilitation station established
23 pursuant to this section shall be located within the sea otter range
24 on the central coast. The administrator *initially* shall establish
25 regional oiled wildlife rescue and rehabilitation facilities in the
26 Los Angeles Harbor area, the San Francisco Bay area, the San
27 Diego area, the Monterey Bay area, the Humboldt County area,
28 and the Santa Barbara ~~area, and area~~. *The administrator also* may
29 establish ~~those~~ facilities in other ~~coastal~~ areas of the state as the
30 administrator determines to be necessary. ~~One~~

31 (2) *One* or more of the oiled wildlife rescue and rehabilitation
32 stations shall be open to the public for educational purposes and
33 shall be available for ~~marine~~ wildlife health research. Wherever
34 possible in the establishment of these facilities, the administrator
35 shall improve existing authorized ~~marine-mammal~~ *wildlife*
36 rehabilitation facilities and may expand or take advantage of
37 existing educational or scientific programs and institutions for
38 oiled wildlife rehabilitation purposes. Expenditures shall be
39 reviewed by the agencies and organizations specified in subdivision
40 (c).

1 (c) The administrator shall consult with the United States Fish
2 and Wildlife Service, the National Marine Fisheries Service, the
3 California Coastal Commission, the ~~Executive Director~~ *executive*
4 *director* of the San Francisco Bay Conservation and Development
5 Commission, the Marine Mammal Center, and the International
6 Bird Rescue ~~Center~~ in the design, planning, construction, and
7 operation of the rescue and rehabilitation stations. All proposals
8 for the rescue and rehabilitation stations shall be presented before
9 a public hearing prior to the construction and operation of any
10 rehabilitation station, and, upon completion of the coastal
11 protection element of the California oil spill contingency plan,
12 shall be consistent with the coastal protection element.

13 (d) The administrator may enter into agreements with nonprofit
14 organizations to establish and equip wildlife rescue and
15 rehabilitation stations and to ensure that they are operated in a
16 professional manner in keeping with the pertinent guidance
17 documents issued by the ~~Office of Spill Prevention and Response~~
18 ~~in the Department of Fish and Game~~ *administrator*. The
19 implementation of the agreement shall not constitute a California
20 public works project. The agreement shall be deemed a contract
21 for wildlife rehabilitation as authorized by Section 8670.61.5.

22 (e) In the event of a spill, the responsible party may request that
23 the administrator perform the rescue and rehabilitation of oiled
24 wildlife required of the responsible party pursuant to this chapter
25 if the responsible party and the administrator enter into an
26 agreement for the reimbursement of the administrator's costs
27 incurred in taking the requested action. If the administrator
28 performs the rescue and rehabilitation of oiled wildlife, the
29 administrator shall primarily utilize the network of rescue and
30 rehabilitation stations established pursuant to subdivision (a),
31 unless more immediate care is required. Any of those activities
32 conducted pursuant to this section or Section 8670.56.5 or
33 8670.61.5 shall be performed under the direction of the
34 administrator. This subdivision does not remove the responsible
35 party from liability for the costs of, ~~nor~~ *or* the responsibility for,
36 the rescue and rehabilitation of oiled wildlife, as established by
37 this chapter. This subdivision does not prohibit an owner or
38 operator from retaining, in a contingency plan prepared pursuant
39 to this article, wildlife rescue and rehabilitation services different

1 from the rescue and rehabilitation stations established pursuant to
2 this section.

3 (f) (1) The administrator shall appoint a rescue and
4 rehabilitation advisory board to advise the administrator regarding
5 operation of the network of rescue and rehabilitation stations
6 established pursuant to subdivision (a), including the economic
7 operation and maintenance of the network. For the purpose of
8 assisting the administrator in determining what constitutes the best
9 achievable treatment for oiled wildlife, the advisory board shall
10 provide recommendations to the administrator on the care achieved
11 by current standard treatment methods, new or alternative treatment
12 methods, the costs of treatment methods, and any other information
13 that the advisory board believes that the administrator might find
14 useful in making that determination. The administrator shall consult
15 with the advisory board in preparing the administrator's submission
16 to the Legislature pursuant to ~~subparagraph (A) of paragraph (2)~~
17 ~~of subdivision (d) of Section 8670.48~~ *subdivision (a) of Section*
18 *8670.40.5*. The administrator shall present the recommendations
19 of the advisory board to the Oil Spill Technical Advisory
20 Committee created pursuant to Article 8 (commencing with Section
21 8670.54), upon the request of the committee.

22 (2) The advisory board shall consist of a balance between
23 representatives of the oil industry, wildlife rehabilitation
24 organizations, and academia. One academic representative shall
25 be from a veterinary school within this state. The United States
26 Fish and Wildlife Service and the National Marine Fisheries
27 Service shall be requested to participate as ex officio members.

28 (3) (A) The Legislature hereby finds and declares that since
29 the administrator may rely on the expertise provided by the
30 volunteer members of the advisory board and may be guided by
31 their recommendations in making decisions that relate to the
32 operation of the network of rescue and rehabilitation stations, those
33 members should be entitled to the same immunity from liability
34 that is provided other public employees.

35 (B) Members of the advisory board, while performing functions
36 within the scope of advisory board duties, shall be entitled to the
37 same rights and immunities granted public employees by Article
38 3 (commencing with Section 820) of Chapter 1 of Part 2 of
39 Division 3.6 of Title 1. Those rights and immunities are deemed

1 to have attached, and shall attach, as of the date of appointment
2 of the member to the advisory board.

3 (g) The administrator shall ensure the state's ability to prevent
4 the contamination of wildlife and to identify, collect, rescue, and
5 treat oiled wildlife through all of the following:

6 (1) Providing for the recruitment and training of an adequate
7 network of wildlife specialists and volunteers from Oiled Wildlife
8 Care Network participant organizations who can be called into
9 immediate action in the event of an oil spill to assist in the field
10 with collection of live oiled wildlife. The training shall include a
11 process for certification of trained volunteers and renewal of
12 certifications. The initial wildlife rescue training shall include field
13 experience in species identification and appropriate field collection
14 techniques for species at risk in different spills. In addition to
15 training in wildlife rescue, the administrator shall provide for
16 appropriate hazardous materials training for new volunteers and
17 contract personnel, with refresher courses offered as necessary to
18 allow for continual readiness of search and collection teams. ~~The~~
19 ~~Office of Spill Prevention and Response in the Department of Fish~~
20 ~~and Game is not required~~ *Moneys in the Oil Spill Prevention and*
21 *Administration Fund shall not be used* to reimburse volunteers for
22 time or travel associated with required wildlife rescue or hazardous
23 materials training.

24 (2) Developing and implementing a plan for the provision of
25 emergency equipment for wildlife rescue in strategic locations to
26 facilitate ready deployment in the case of an oil spill. The
27 administrator shall ensure that the equipment identified as
28 necessary in his or her wildlife response plan is available and
29 deployed in a timely manner to assist in providing the best
30 achievable protection and collection efforts.

31 (3) Developing the capacity of the Oiled Wildlife Care Network
32 to recruit and train an adequate field team for collection of live
33 oiled wildlife, as specified in paragraph (1), by providing staffing
34 for field operations, coordination, and volunteer outreach for the
35 Oiled Wildlife Care Network. The duties of the field operations
36 and volunteer outreach staff shall include recruitment and
37 coordination of additional participation in the Oiled Wildlife Care
38 Network by other existing organizations with experience and
39 expertise in wildlife rescue and handling, including scientific
40 organizations, educational institutions, public agencies, and

1 nonprofit organizations dedicated to wildlife conservation, and
2 recruitment, training, and supervision of volunteers from Oiled
3 Wildlife Care Network participating organizations.

4 (4) Ensuring that qualified persons with experience and expertise
5 in wildlife rescue are assigned to oversee and supervise wildlife
6 recovery search and collection efforts, as specified in the
7 administrator's wildlife response plan. The administrator shall
8 provide for and ensure that all persons involved in field collection
9 of oiled wildlife receive training in search and capture techniques
10 and hazardous materials certification, as appropriate.

11 *SEC. 32. Section 8670.37.51 of the Government Code is*
12 *amended to read:*

13 8670.37.51. (a) ~~No~~ A tank vessel or vessel carrying oil as a
14 secondary cargo ~~may~~ *shall not* be used to transport oil across
15 ~~marine~~ waters of the state unless the *owner or* operator has *applied*
16 *for and* obtained a certificate of financial responsibility issued by
17 the administrator for that vessel or for the owner of all of the oil
18 contained in and to be transferred to or from that vessel.

19 (b) ~~No~~ An operator of a marine terminal within the state ~~may~~
20 *shall not* transfer oil to or from a tank vessel or vessel carrying oil
21 as a secondary cargo unless the operator of the marine terminal
22 has received a copy of a certificate of financial responsibility issued
23 by the administrator for the operator of that vessel or for all of the
24 oil contained in and to be transferred to or from that vessel.

25 (c) ~~No~~ An operator of a marine terminal within the state ~~may~~
26 *shall not* transfer oil to or from any vessel that is or is intended to
27 be used for transporting oil as cargo to or from a second vessel
28 unless the operator of the marine terminal has first received a copy
29 of a certificate of financial responsibility issued by the
30 administrator for the person responsible for both the first and
31 second vessels or all of the oil contained in both vessels, as well
32 as all the oil to be transferred to or from both vessels.

33 (d) ~~No person operate a marine facility unless the owner or~~
34 ~~operator of the marine facility has first obtained~~ An owner or
35 operator of a facility where a spill could impact waters of the state
36 *shall apply for and obtain* a certificate of financial responsibility
37 ~~from~~ *issued by* the administrator for the ~~marine facility or the oil~~
38 *to be handled, stored, or transported by the facility.*

39 (e) ~~No tank vessel or vessel carrying oil as a secondary cargo~~
40 ~~may be used to transport oil across marine waters of the state~~

1 unless, at least 24 hours prior to the transport, the administrator
2 has received both of the following:

3 (1) ~~A copy of a certificate applicable to that vessel or to all of~~
4 ~~the oil in that vessel at all times during transport.~~

5 (2) ~~A copy of a written statement by the holder of the applicable~~
6 ~~certificate authorizing its application to the vessel.~~

7 (e) Pursuant to Section 8670.37.58, nontank vessels shall obtain
8 a certificate of financial responsibility.

9 SEC. 33. Section 8670.37.52 of the Government Code is
10 amended to read:

11 8670.37.52. The certificate of financial responsibility shall be
12 conclusive evidence that the person or entity holding the certificate
13 is the party responsible for the specified vessel, ~~marine~~ facility, or
14 oil for purposes of determining liability pursuant to this chapter.

15 SEC. 34. Section 8670.37.53 of the Government Code is
16 amended to read:

17 8670.37.53. (a) To receive a certificate of financial
18 responsibility for a tank vessel or for all of the oil contained within
19 ~~such a~~ that vessel, the applicant shall demonstrate to the satisfaction
20 of the administrator the financial ability to pay at least one billion
21 dollars (\$1,000,000,000) for any damages that may arise during
22 the term of the certificate.

23 (b) The administrator may establish a lower standard of financial
24 responsibility for small tank barges, vessels carrying oil as a
25 secondary cargo, and small marine fueling facilities. The standard
26 shall be based on the quantity of oil that can be carried or stored
27 and the risk of spill into ~~marine~~ waters of the state. The
28 administrator shall not set a standard that is less than the expected
29 costs from a reasonable worst case oil spill into ~~marine~~ waters of
30 the state.

31 ~~(e)(1)~~

32 (c) (1) To receive a certificate of financial responsibility for a
33 ~~marine~~ facility, the applicant shall demonstrate to the satisfaction
34 of the administrator the financial ability to pay for any damages
35 that might arise during a reasonable worst case oil spill into ~~marine~~
36 waters of the state that results from the operations of the ~~marine~~
37 facility. The administrator shall consider criteria including, but
38 not necessarily limited to, the amount of oil that could be spilled
39 into ~~marine~~ waters of the state from the facility, the cost of cleaning

1 up spilled oil, the frequency of operations at the facility, and the
2 damages that could result from a spill.

3 ~~(2) The administrator may issue a certificate for a marine facility~~
4 ~~upon a lesser showing of financial resources for a period of not~~
5 ~~longer than three years if the administrator finds all of the~~
6 ~~following:~~

7 ~~(A) The marine facility was operating on January 1, 1991.~~

8 ~~(B) Continued operation is necessary to finance abandonment~~
9 ~~of the marine facility.~~

10 ~~(C) The financial resources the operator is able to demonstrate~~
11 ~~are reasonably sufficient to cover the damages from foreseeable~~
12 ~~spills from the facility.~~

13 ~~(2) The administrator shall adopt regulations to implement this~~
14 ~~section.~~

15 *SEC. 35. Section 8670.37.55 of the Government Code is*
16 *amended to read:*

17 8670.37.55. (a) An owner or operator of more than one tank
18 vessel, vessel carrying oil as a secondary cargo, nontank vessel,
19 or ~~marine~~ facility shall only be required to obtain one certificate
20 of financial responsibility for all of those vessels and ~~marine~~
21 facilities owned or operated.

22 (b) If a person holds a certificate for more than one tank vessel,
23 vessel carrying oil as a secondary cargo, nontank vessel, or ~~marine~~
24 facility and a spill or spills occurs from one or more of those
25 vessels or ~~marine~~ facilities for which the owner or operator may
26 be liable for damages in an amount exceeding 5 percent of the
27 financial resources reflected by the certificate, as determined by
28 the administrator, the certificate shall immediately be considered
29 inapplicable to any vessel or ~~marine~~ facility not associated with
30 the spill. In that event, the owner or operator shall demonstrate to
31 the satisfaction of the administrator the amount of financial ability
32 required pursuant to this article, as well as the financial ability to
33 pay all damages that arise or have arisen from the spill or spills
34 ~~which that~~ have occurred.

35 *SEC. 36. Section 8670.37.58 of the Government Code is*
36 *amended to read:*

37 8670.37.58. (a) A nontank vessel ~~required to have a~~
38 ~~contingency plan pursuant to this chapter~~ shall not enter ~~marine~~
39 waters of the state unless the nontank vessel owner or operator has
40 provided to the administrator evidence of financial responsibility

1 that demonstrates, to the administrator's satisfaction, the ability
2 to pay at least three hundred million dollars (\$300,000,000) to
3 cover damages caused by a spill, and the owner or operator of the
4 nontank vessel has obtained a certificate of financial responsibility
5 from the administrator for the nontank vessel.

6 (b) Notwithstanding subdivision (a), the administrator may
7 establish a lower standard of financial responsibility for a nontank
8 vessel that has a carrying capacity of 6,500 barrels of oil or less,
9 or for a nontank vessel that is owned and operated by California
10 or a federal agency and has a carrying capacity of 7,500 barrels of
11 oil or less. The standard shall be based upon the quantity of oil
12 that can be carried by the nontank vessel and the risk of an oil spill
13 into ~~marine~~ waters of the state. The administrator shall not set a
14 standard that is less than the expected cleanup costs and damages
15 from an oil spill into ~~marine~~ waters of the state.

16 (c) The administrator may adopt regulations to implement this
17 section.

18 SEC. 37. Section 8670.40 of the Government Code is amended
19 to read:

20 8670.40. (a) The State Board of Equalization shall collect a
21 fee in an amount determined by the administrator to be sufficient
22 to pay the reasonable regulatory costs to carry out the purposes
23 set forth in subdivision (e), and a reasonable reserve for
24 contingencies. The annual assessment shall not exceed six and
25 one-half cents (\$0.065) per barrel of crude oil or petroleum
26 products. ~~Beginning January 1, 2015, the annual assessment shall~~
27 ~~not exceed five cents (\$0.05) per barrel of crude oil or petroleum~~
28 ~~products~~ The oil spill prevention and administration fee shall be
29 based on each barrel of crude oil or petroleum products, as
30 described in subdivision (b).

31 (b) (1) The oil spill prevention and administration fee shall be
32 imposed upon a person owning crude oil at the time that the crude
33 oil is received at a marine terminal, by any mode of delivery that
34 passed over, across, under, or through waters of the state, from
35 within or outside the state, and upon a person who owns petroleum
36 products at the time that those petroleum products are received at
37 a marine terminal, by any mode of delivery that passed over, across,
38 under, or through waters of the state, from outside this state. The
39 fee shall be collected by the marine terminal operator from the
40 owner of the crude oil or petroleum products ~~based on~~ for each

1 barrel of crude oil or petroleum products ~~so received by means of~~
2 ~~a vessel operating in, through, or across the marine waters of the~~
3 ~~state. In addition, an operator of a pipeline shall pay the oil spill~~
4 ~~prevention and administration fee for each barrel of crude oil~~
5 ~~originating from a production facility in marine waters and~~
6 ~~transported in the state by means of a pipeline operating across,~~
7 ~~under, or through the marine waters of the state received.~~The

8 (2) *The oil spill prevention and administration fee shall be*
9 *imposed upon a person owning crude oil or petroleum products*
10 *at the time that the crude oil or petroleum products are received*
11 *at a refinery within the state by any mode of delivery that passed*
12 *over, across, under, or through waters of the state, whether from*
13 *within or outside the state. The refinery shall collect the fee from*
14 *the owner of the crude oil or petroleum products for each barrel*
15 *received.*

16 (3) (A) *There is a rebuttable presumption that crude oil or*
17 *petroleum products received at a marine terminal or a refinery*
18 *have passed over, across, under, or through waters of the state.*
19 *This presumption may be overcome by a marine terminal operator,*
20 *refinery operator, or owner of the crude oil or petroleum products*
21 *by showing that the crude oil or petroleum products did not pass*
22 *over, across, under, or through waters of the state. Evidence to*
23 *rebut the presumption may include, but shall not be limited to,*
24 *documentation, including shipping documents, bills of lading,*
25 *highway maps, rail maps, transportation maps, related*
26 *transportation receipts, or another medium that shows the crude*
27 *oil or petroleum products did not pass over, across, under, or*
28 *through waters of the state.*

29 (B) *Notwithstanding the petition for redetermination and claim*
30 *for refund provisions of the Oil Spill Response, Prevention, and*
31 *Administration Fees Law (Part 24 (commencing with Section*
32 *46001) of Division 2 of the Revenue and Taxation Code), the State*
33 *Board of Equalization shall not do either of the following:*

34 (i) *Accept or consider a petition for redetermination of fees*
35 *determined pursuant to this section if the petition is founded upon*
36 *the grounds that the crude oil or petroleum products did or did*
37 *not pass over, across, under, or through waters of the state.*

38 (ii) *Accept or consider a claim for a refund of fees paid pursuant*
39 *to this section if the claim is founded upon the grounds that the*

1 *crude oil or petroleum products did or did not pass over, across,*
2 *under, or through waters of the state.*

3 *(C) The State Board of Equalization shall forward to the*
4 *administrator an appeal of a redetermination or a claim for a*
5 *refund of fees that is based on the grounds that the crude oil or*
6 *petroleum products did or did not pass over, across, under, or*
7 *through waters of the state.*

8 *(4) The fees shall be remitted to the*~~board~~ *State Board of*
9 *Equalization by the owner of the crude oil or petroleum products,*
10 *the refinery operator, or the marine terminal or pipeline operator*
11 *on the 25th day of the month based upon the number of barrels of*
12 *crude oil or petroleum products received at a refinery or marine*
13 *terminal or transported by pipeline during the preceding month.*
14 *A fee shall not be imposed pursuant to this section with respect to*
15 *crude oil or petroleum products if the person who would be liable*
16 *for that fee, or responsible for its collection, establishes that the*
17 *fee has already been collected by a refinery or marine terminal*
18 *operator registered under this chapter or paid to the*~~board~~ *State*
19 *Board of Equalization with respect to the crude oil or petroleum*
20 *product.*

21 *(5) The oil spill prevention and administration fee shall not be*
22 *collected by a marine terminal operator or refinery operator or*
23 *imposed on the owner of crude oil or petroleum products if the fee*
24 *has been previously collected or paid on the crude oil or petroleum*
25 *products at another marine terminal or refinery. It shall be the*
26 *obligation of the marine terminal operator, refinery operator, or*
27 *owner of crude oil or petroleum products to demonstrate that the*
28 *fee has already been paid on the same crude oil or petroleum*
29 *products.*

30 ~~(2)~~

31 *(6) An owner of crude oil or petroleum products is liable for*
32 *the fee until it has been paid to the*~~board~~ *State Board of*
33 *Equalization, except that payment to a refinery operator or marine*
34 *terminal operator registered under this chapter is sufficient to*
35 *relieve the owner from further liability for the fee.*

36 ~~(3)~~

37 *(7) On or before January 20, the administrator shall annually*
38 *prepare a plan that projects revenues and expenses over three fiscal*
39 *years, including the current year. Based on the plan, the*
40 *administrator shall set the fee so that projected revenues, including*

1 any interest *and inflation*, are equivalent to expenses as reflected
2 in the current Budget Act and in the proposed budget submitted
3 by the Governor. In setting the fee, the administrator may allow
4 for a surplus if the administrator finds that revenues will be
5 exhausted during the period covered by the plan or that the surplus
6 is necessary to cover possible contingencies. The administrator
7 shall notify the ~~board~~ *State Board of Equalization* of the adjusted
8 fee rate, which shall be rounded to no more than four decimal
9 places, to be effective the first day of the month beginning not less
10 than 30 days from the date of the notification.

11 (c) The moneys collected pursuant to subdivision (a) shall be
12 deposited into the fund.

13 (d) The ~~board~~ *State Board of Equalization* shall collect the fee
14 and adopt regulations for implementing the fee collection program.

15 (e) The fee described in this section shall be collected solely
16 for all of the following purposes:

17 (1) To implement oil spill prevention programs through rules,
18 regulations, leasing policies, guidelines, and inspections and to
19 implement research into prevention and control technology.

20 (2) To carry out studies that may lead to improved oil spill
21 prevention and response.

22 (3) To finance environmental and economic studies relating to
23 the effects of oil spills.

24 (4) To implement, install, and maintain emergency programs,
25 equipment, and facilities to respond to, contain, and clean up oil
26 spills and to ensure that those operations will be carried out as
27 intended.

28 ~~(5) To respond to an imminent threat of a spill in accordance~~
29 ~~with the provisions of Section 8670.62 pertaining to threatened~~
30 ~~discharges. The cumulative amount of an expenditure for this~~
31 ~~purpose shall not exceed the amount of one hundred thousand~~
32 ~~dollars (\$100,000) in a fiscal year unless the administrator receives~~
33 ~~the approval of the Director of Finance and notification is given~~
34 ~~to the Joint Legislative Budget Committee. Commencing with the~~
35 ~~1993-94 fiscal year, and each fiscal year thereafter, it is the intent~~
36 ~~of the Legislature that the annual Budget Act contain an~~
37 ~~appropriation of one hundred thousand dollars (\$100,000) from~~
38 ~~the fund for the purpose of allowing the administrator to respond~~
39 ~~to threatened oil spills.~~

40 (6)

1 (5) To reimburse the ~~board~~ *State Board of Equalization* for its
2 *reasonable* costs incurred to implement this chapter and to carry
3 out Part 24 (commencing with Section 46001) of Division 2 of the
4 Revenue and Taxation Code.

5 ~~(7)~~

6 ~~(6) To cover costs incurred by fund the Oiled Wildlife Care~~
7 ~~Network established by Section 8670.37.5 for training and field~~
8 ~~collection, and search and rescue activities, pursuant to subdivision~~
9 ~~(g) of Section 8670.37.5 pursuant to Section 8670.40.5.~~

10 (f) The moneys deposited in the fund shall not be used for
11 responding to ~~an oil~~ *a spill*.

12 (g) The moneys deposited in the fund shall not be used to
13 provide a loan to any other fund.

14 ~~(h) This section shall become operative on January 1, 2012.~~

15 (h) *Every person who operates a refinery, a marine terminal in*
16 *waters of the state, or a pipeline shall register with the State Board*
17 *of Equalization, pursuant to Section 46101 of the Revenue and*
18 *Taxation Code.*

19 (i) *The amendments to this section enacted in Assembly Bill*
20 *1466 of the 2013–14 Regular Session shall become operative 90*
21 *days after the effective date of Assembly Bill 1466 of the 2013–14*
22 *Regular Session.*

23 SEC. 38. Section 8670.40.5 is added to the Government Code,
24 to read:

25 8670.40.5. (a) *For each fiscal year, consistent with this article,*
26 *the administrator shall submit, as a proposed appropriation in the*
27 *Governor's Budget, an amount up to two million five hundred*
28 *thousand dollars (\$2,500,000) for the purpose of equipping,*
29 *operating, and maintaining the network of oiled wildlife rescue*
30 *and rehabilitation stations and proactive oiled wildlife search and*
31 *collection rescue efforts established pursuant to Section 8670.37.5*
32 *and for the support of technology development and research related*
33 *to oiled wildlife care.*

34 (b) *The administrator shall report to the Legislature, upon*
35 *request, on the progress and effectiveness of the network of oiled*
36 *wildlife rescue and rehabilitation stations established pursuant to*
37 *Section 8670.37.5 and the adequacy of the Oil Spill Prevention*
38 *and Administration Fund to meet the purposes for which the*
39 *network was established.*

1 (c) At the administrator's request, any funds made available
2 for purposes of this section may be directly appropriated to a
3 suitable program for wildlife health and rehabilitation within a
4 school of veterinary medicine within this state, if an agreement
5 exists, consistent with this chapter, between the administrator and
6 an appropriate representative of the program for carrying out that
7 purpose. The administrator shall attempt to have an agreement in
8 place at all times. The agreement shall ensure that the training of,
9 and the care provided by, the program staff are at levels that are
10 consistent with those standards generally accepted within the
11 veterinary profession.

12 (d) Any funds made available for purposes of this section shall
13 not be considered an offset to any other state funds appropriated
14 to the program, the program's associated school of veterinary
15 medicine, or the program's associated college or university. The
16 funds shall not be used for any other purpose. If an offset does
17 occur or the funds are used for an unintended purpose, the
18 administrator may terminate expenditure of any funds appropriated
19 for purposes of this section and the administrator may request a
20 reappropriation to accomplish the intended purpose. The
21 administrator shall annually review and approve the proposed
22 uses of any funds made available for purposes of this section.

23 SEC. 39. Section 8670.42 of the Government Code is amended
24 to read:

25 8670.42. (a) ~~The Department of Fish and Game~~ administrator
26 and the State Lands Commission, independently, shall contract
27 with the Department of Finance for the preparation of a detailed
28 report that shall be submitted on or before January 1, 2013, and
29 no less than once every four years thereafter, to the Governor and
30 the Legislature on the financial basis and programmatic
31 effectiveness of the state's oil spill prevention, response, and
32 preparedness program. This report shall include an analysis of all
33 of the oil spill prevention, response, and preparedness program's
34 major expenditures, fees and fines collected, staffing and equipment
35 levels, spills responded to, and other relevant issues. The report
36 shall recommend measures to improve the efficiency and
37 effectiveness of the state's oil spill prevention, response, and
38 preparedness program, including, but not limited to, measures to
39 modify existing contingency plan requirements, to improve
40 protection of environmentally sensitive-shoreline sites, and to

1 ensure adequate and equitable funding for the state's oil spill
2 prevention, response, and preparedness program.

3 (b) A report to be submitted pursuant to subdivision (a) shall
4 be submitted in compliance with Section 9795.

5 *SEC. 40. Section 8670.47.5 of the Government Code is*
6 *amended to read:*

7 8670.47.5. The following shall be deposited into the fund:

8 (a) The fee required pursuant to Section 8670.48.

9 (b) Any federal funds received to pay for response, containment,
10 abatement, and rehabilitation costs from an oil spill in ~~marine~~
11 *waters of the state.*

12 (c) Any money borrowed by the Treasurer pursuant to Article
13 7.5 (commencing with Section 8670.53.1) or any draw on the
14 financial security obtained by the Treasurer pursuant to subdivision
15 (o) of Section 8670.48.

16 (d) Any interest earned on the moneys in the fund.

17 (e) Any costs recovered from responsible parties pursuant to
18 Section 8670.53 and subdivision (e) of Section 8670.53.1.

19 *SEC. 41. Section 8670.48 of the Government Code is amended*
20 *to read:*

21 8670.48. (a) (1) A uniform oil spill response fee in an amount
22 not exceeding twenty-five cents (\$0.25) for each barrel of
23 petroleum products, as set by the administrator pursuant to
24 subdivision (f), shall be imposed upon a person who owns
25 petroleum products at the time the petroleum products are received
26 at a marine terminal within this state by means of a vessel from a
27 point of origin outside this state. The fee shall be *collected by the*
28 *marine terminal and* remitted to the State Board of Equalization
29 by the terminal operator on the 25th day of each month based upon
30 the number of barrels of petroleum products received during the
31 preceding month.

32 (2) An owner of petroleum products is liable for the fee until it
33 has been paid to the state, except that payment to a marine terminal
34 operator registered under this chapter is sufficient to relieve the
35 owner from further liability for the fee.

36 (b) An operator of a pipeline shall also pay a uniform oil spill
37 response fee in an amount not exceeding twenty-five cents (\$0.25)
38 for each barrel of petroleum products, as set by the administrator
39 pursuant to subdivision (f), transported into the state by means of
40 a pipeline operating across, under, or through the ~~marine~~ waters

1 of the state. The fee shall be paid on the 25th day of each month
2 based upon the number of barrels of petroleum products so
3 transported into the state during the preceding month.

4 (c) ~~(1)~~—An operator of a refinery shall pay a uniform oil spill
5 response fee in an amount not exceeding twenty-five cents (\$0.25)
6 for each barrel of crude oil, as set by the administrator pursuant
7 to subdivision (f), received at a refinery within the state *by any*
8 *method of transport*. The fee shall be paid on the 25th day of each
9 month based upon the number of barrels of crude oil so received
10 during the preceding month.

11 ~~(2) The fee shall not be imposed by a refiner, or a person or~~
12 ~~entity acting as an agent for a refiner, on crude oil produced by an~~
13 ~~independent crude oil producer as defined in paragraph (3). The~~
14 ~~board shall not identify a company as exempt from the fee~~
15 ~~requirements of this section if that company was reorganized, sold,~~
16 ~~or otherwise modified with the intent of circumventing the~~
17 ~~requirements of this section.~~

18 ~~(3) For purposes of this chapter, “independent crude oil~~
19 ~~producer” means a person or entity producing crude oil within this~~
20 ~~state who does not refine crude oil into a product, and who does~~
21 ~~not possess or own a retail gasoline marketing facility.~~

22 (d) A marine terminal operator shall pay a uniform oil spill
23 response fee in an amount not exceeding twenty-five cents (\$0.25),
24 in accordance with subdivision (g), for each barrel of crude oil, as
25 set by the administrator pursuant to subdivision (f), that is
26 transported from within this state by means of a ~~marine~~ vessel to
27 a destination outside this state.

28 (e) An operator of a pipeline shall pay a uniform oil spill
29 response fee in an amount not exceeding twenty-five cents (\$0.25),
30 in accordance with subdivision (g), for each barrel of crude oil, as
31 set by the administrator pursuant to subdivision (f), transported
32 out of the state by pipeline.

33 (f) (1) The fees required pursuant to this section shall be
34 collected during any period for which the administrator determines
35 that collection is necessary for any of the following reasons:

36 (A) The amount in the fund is less than or equal to 95 percent
37 of the designated amount specified in subdivision (a) of Section
38 46012 of the Revenue and Taxation Code.

39 (B) Additional money is required to pay for the purposes
40 specified in subdivision (k).

1 (C) The revenue is necessary to repay a draw on a financial
2 security obtained by the Treasurer pursuant to subdivision (o) or
3 borrowing by the Treasurer pursuant to Article 7.5 (commencing
4 with ~~Section 8670.53.1~~ 8670.53.1), including any principal,
5 interest, premium, fees, charges, or costs of any kind incurred in
6 connection with those borrowings or financial security.

7 (2) The administrator, in consultation with the State Board of
8 Equalization, and with the approval of the Treasurer, may direct
9 the State Board of Equalization to cease collecting the fee when
10 the administrator determines that further collection of the fee is
11 not necessary for the purposes specified in paragraph (1).

12 (3) The administrator, in consultation with the State Board of
13 Equalization, shall set the amount of the oil spill response fees.
14 The oil spill response fees shall be imposed on all feepayers in the
15 same amount. The administrator shall not set the amount of the
16 fee at less than twenty-five cents (\$0.25) for each barrel of
17 petroleum products or crude oil, unless the administrator finds that
18 the assessment of a lesser fee will cause the fund to reach the
19 designated amount specified in subdivision (a) of Section 46012
20 of the Revenue and Taxation Code within four months. The fee
21 shall not be less than twenty-five cents (\$0.25) for each barrel of
22 petroleum products or crude oil if the administrator has drawn
23 upon the financial security obtained by the Treasurer pursuant to
24 subdivision (o) or if the Treasurer has borrowed money pursuant
25 to Article 7.5 (commencing with Section 8670.53.1) and principal,
26 interest, premium, fees, charges, or costs of any kind incurred in
27 connection with those borrowings remain outstanding or unpaid,
28 unless the Treasurer has certified to the administrator that the
29 money in the fund is not necessary for the purposes specified in
30 paragraph (1).

31 (g) The fees imposed by subdivisions (d) and (e) shall be
32 imposed in any calendar year beginning the month following the
33 month when the total cumulative year-to-date barrels of crude oil
34 transported outside the state by all feepayers by means of vessel
35 or pipeline exceed 6 percent by volume of the total barrels of crude
36 oil and petroleum products subject to oil spill response fees under
37 subdivisions (a), (b), and (c) for the prior calendar year.

38 (h) For purposes of this chapter, "designated amount" means
39 the amounts specified in Section 46012 of the Revenue and
40 Taxation Code.

(i) The administrator, in consultation with the State Board of Equalization and with the approval of the Treasurer, shall authorize refunds of any money collected that is not necessary for the purposes specified in paragraph (1) of subdivision (f). The State Board of Equalization, as directed by the administrator, and in accordance with Section 46653 of the Revenue and Taxation Code, shall refund the excess amount of fees collected to each feepayer who paid the fee to the state, in proportion to the amount that each feepayer paid into the fund during the preceding 12 monthly reporting periods in which there was a fee due, including the month in which the fund exceeded the specified amount. If the total amount of money in the fund exceeds the amount specified in this subdivision by 10 percent or less, refunds need not be ordered by the administrator. This section does not require the refund of excess fees as provided in this subdivision more frequently than once each year.

(j) The State Board of Equalization shall collect the fee and adopt regulations implementing the fee collection program. All fees collected pursuant to this section shall be deposited in the Oil Spill Response Trust Fund.

(k) The fee described in this section shall be collected solely for any of the following purposes:

(1) To provide funds to cover promptly the costs of response, containment, and cleanup of oil spills into ~~marine~~ waters *of the state*, including damage assessment ~~costs~~, *costs* and wildlife rehabilitation as provided in Section 8670.61.5.

(2) To cover response and cleanup costs and other damages suffered by the state or other persons or entities from oil spills into ~~marine~~ waters, ~~which of the state that~~ cannot otherwise be compensated by responsible parties or the federal government.

(3) To pay claims for damages pursuant to Section 8670.51.

(4) To pay claims for damages, except for damages described in paragraph (7) of subdivision (h) of Section 8670.56.5, pursuant to Section 8670.51.1.

(5) To pay for the cost of obtaining financial security in the amount specified in subdivision (b) of Section 46012 of the Revenue and Taxation Code, as authorized by subdivision (o).

(6) To pay indemnity and related costs and expenses as authorized by Section 8670.56.6.

1 (7) To pay principal, interest, premium, if any, and fees, charges,
2 and costs of any kind incurred in connection with moneys drawn
3 by the administrator on the financial security obtained by the
4 Treasurer pursuant to subdivision (o) or borrowed by the Treasurer
5 pursuant to Article 7.5 (commencing with Section 8670.53.1).

6 ~~(8) To pay for the costs of rescue, medical treatment,~~
7 ~~rehabilitation, and disposition of oiled wildlife, as incurred by the~~
8 ~~network of oiled wildlife rescue and rehabilitation stations created~~
9 ~~pursuant to Section 8670.37.5.~~

10 (8) *[Reserved]*

11 (9) *To respond to an imminent threat of a spill in accordance*
12 *with the provisions of Section 8670.62 pertaining to threatened*
13 *discharges.*

14 (l) ~~(1) The interest that the state earns on the funds deposited~~
15 ~~into the Oil Spill Response Trust Fund shall be deposited in the~~
16 ~~fund and shall be used to maintain the fund at the designated~~
17 ~~amount specified in subdivision (a) of Section 46012 of the~~
18 ~~Revenue and Taxation Code. Interest earned until July 1, 1998,~~
19 ~~on funds deposited pursuant to subdivision (a) of Section 46012~~
20 ~~of the Revenue and Taxation Code, as determined jointly by the~~
21 ~~Controller and the Director of Finance, shall be available upon~~
22 ~~appropriation by the Legislature in the Budget Act to establish,~~
23 ~~equip, operate, and maintain the network of rescue and~~
24 ~~rehabilitation stations for oiled wildlife as described in Section~~
25 ~~8670.37.5 and to support technology development and research~~
26 ~~related to oiled wildlife care. Interest earned on the financial~~
27 ~~security portion of the fund, required to be accessible pursuant to~~
28 ~~subdivision (b) of Section 46012 of the Revenue and Taxation~~
29 ~~Code shall not be available for that purpose. If the amount in the~~
30 ~~fund exceeds that designated amount, the interest not needed to~~
31 ~~equip, operate, and maintain the network of rescue and~~
32 ~~rehabilitation stations, or for appropriate technology development~~
33 ~~and research regarding oiled wildlife care, shall be deposited into~~
34 ~~the Oil Spill Prevention and Administration Fund, and shall be~~
35 ~~available for the purposes authorized by Article 6 (commencing~~
36 ~~with Section 8670.38).~~

37 ~~(2) (A) For each fiscal year, consistent with this article, the~~
38 ~~administrator shall submit, as a proposed appropriation in the~~
39 ~~Governor's Budget, an amount up to two million dollars~~
40 ~~(\$2,000,000) of the interest earned on the funds deposited into the~~

1 Oil Spill Response Trust Fund for the purpose of equipping,
2 operating, and maintaining the network of oiled wildlife rescue
3 and rehabilitation stations and proactive oiled wildlife search and
4 collection rescue efforts established pursuant to Section 8670.37.5
5 and for support of technology development and research related
6 to oiled wildlife care. The remaining interest, if any, shall be
7 deposited into the Oil Spill Prevention and Administration Fund
8 pursuant to paragraph (1).

9 (B) The administrator shall report to the Legislature not later
10 than June 30, 2002, on the progress and effectiveness of the
11 network of oiled wildlife rescue and rehabilitation stations
12 established pursuant to Section 8670.37.5, and the adequacy of
13 the Oil Spill Response Trust Fund to meet the purposes for which
14 it was established.

15 (C) At the administrator's request, the funds made available
16 pursuant to this paragraph may be directly appropriated to a suitable
17 program for wildlife health and rehabilitation within a school of
18 veterinary medicine within this state, provided that an agreement
19 exists, consistent with this chapter, between the administrator and
20 an appropriate representative of the program for carrying out that
21 purpose. The administrator shall attempt to have an agreement in
22 place at all times. The agreement shall ensure that the training of,
23 and the care provided by, the program staff are at levels that are
24 consistent with those standards generally accepted within the
25 veterinary profession.

26 (D) The funds made available pursuant to this paragraph shall
27 not be considered an offset to any other state funds appropriated
28 to the program, the program's associated school of veterinary
29 medicine, or the program's associated college or university, and
30 the funds shall not be used for any other purpose. If an offset does
31 occur or the funds are used for an unintended purpose, expenditure
32 of any appropriation of funds pursuant to this paragraph may be
33 terminated by the administrator and the administrator may request
34 a reappropriation to accomplish the intended purpose. The
35 administrator shall annually review and approve the proposed uses
36 of any funds made available pursuant to this paragraph.

37 (m) The Legislature finds and declares that effective response
38 to oil spills requires that the state have available sufficient funds
39 in a response fund. The Legislature further finds and declares that
40 maintenance of that fund is of utmost importance to the state and

1 that the money in the fund shall be used solely for the purposes
2 specified in subdivision (k).

3 ~~(n) It is the intent of the Legislature, in enacting this section,~~
4 ~~that the fee shall not be imposed by a refiner, or a person or entity~~
5 ~~acting as an agent for a refiner, on crude oil produced by an~~
6 ~~independent crude oil producer.~~

7 (n) [Reserved]

8 (o) The Treasurer shall obtain financial security, in the
9 designated amount specified in subdivision (b) of Section 46012
10 of the Revenue and Taxation Code, in a form ~~which~~ that, in the
11 event of an oil spill, may be drawn upon immediately by the
12 administrator upon making the determinations required by
13 paragraph (2) of subdivision (a) of Section 8670.49. The financial
14 security may be obtained in any of the forms described in
15 subdivision (b) of Section 8670.53.3, as determined by the
16 Treasurer.

17 (p) This section does not limit the authority of the administrator
18 to raise oil spill response fees pursuant to Section 8670.48.5.

19 *SEC. 42. Section 8670.48.3 of the Government Code is*
20 *amended to read:*

21 8670.48.3. (a) Notwithstanding subparagraph (A) of paragraph
22 (1) of subdivision (f) of Section 8670.48, a loan or other transfer
23 of money from the fund to the General Fund pursuant to the Budget
24 Act that reduces the balance of the Oil Spill Response Trust Fund
25 to less than or equal to 95 percent of the designated amount
26 specified in subdivision (a) of Section 46012 of the Revenue and
27 Taxation Code shall not obligate the administrator to resume
28 collection of the oil spill response fee otherwise required by this
29 article if both of the following conditions are met:

30 (1) The annual Budget Act requires a transfer or loan from the
31 fund to be repaid to the fund with interest calculated at a rate earned
32 by the Pooled Money Investment Account as if the money had
33 remained in the fund.

34 (2) The annual Budget Act requires all transfers or loans to be
35 repaid to the fund on or before June 30, ~~2014~~ 2017.

36 (b) A transfer or loan described in subdivision (a) shall be repaid
37 as soon as possible if a spill occurs and the administrator
38 determines that response funds are needed immediately.

39 (c) If there is a conflict between this section and any other law
40 or enactment, this section shall control.

1 ~~(d) This section shall remain in effect until July 1, 2014, and as~~
2 ~~of that date is repealed.~~

3 *(d) This section shall become inoperative on July 1, 2017, and,*
4 *as of January 1, 2018, is repealed, unless a later enacted statute,*
5 *that becomes operative on or before January 1, 2018, deletes or*
6 *extends the dates on which it becomes inoperative and is repealed.*

7 SEC. 43. Section 8670.49 of the Government Code is amended
8 to read:

9 8670.49. (a) (1) The administrator may only expend money
10 from the fund to pay for any of the following, subject to the lien
11 established in Section 8670.53.2:

12 (A) To pay the cost of obtaining financial security as authorized
13 by paragraph (5) of subdivision (k) and subdivision (o) of Section
14 8670.48.

15 (B) To pay the principal, interest, premium, if any, and fees,
16 charges, and costs of any kind incurred in connection with moneys
17 drawn by the administrator on the financial security obtained by
18 the Treasurer, or the moneys borrowed by the Treasurer, as
19 authorized by paragraph (7) of subdivision (k) of Section 8670.48.

20 ~~(C) To pay for the construction, equipping, operation, and~~
21 ~~maintenance of rescue and rehabilitation facilities, and technology~~
22 ~~development for oiled wildlife care from interest earned on money~~
23 ~~deposited in the fund as authorized by subdivision (l) of Section~~
24 ~~8670.48.~~

25 ~~(D) To pay for the costs of rescue, medical treatment,~~
26 ~~rehabilitation, and disposition of oiled wildlife, as incurred by the~~
27 ~~network of oiled wildlife rescue and rehabilitation stations pursuant~~
28 ~~to subdivision (f) of Section 8670.37.5.~~

29 ~~(E)~~

30 (C) To pay for the expansion, in the VTS area, pursuant to
31 Section 445 of the Harbors and Navigation Code, of the vessel
32 traffic service system (VTS system) authorized pursuant to
33 subdivision (f) of Section 8670.21.

34 (2) If a spill has occurred, the administrator may expend the
35 money in the fund for the purposes identified in paragraphs (1),
36 (2), (3), (4), and (6) of subdivision (k) of Section 8670.48 only
37 upon making the following determinations:

38 (A) Except as authorized by Section 8670.51.1, a responsible
39 party does not exist or the responsible party is unable or unwilling
40 to provide adequate and timely cleanup and to pay for the damages

1 resulting from the spill. The administrator shall make a reasonable
2 effort to have the party responsible remove the oil or agree to pay
3 for any actions resulting from the spill that may be required by
4 law, provided that the efforts are not detrimental to fish, plant,
5 animal, or bird life in the affected waters. The reasonable effort
6 of the administrator shall include attempting to access the
7 responsible parties' insurance or other proof of financial
8 responsibility.

9 (B) Sufficient federal oil spill funds are not available or will
10 not be available in an adequate period of time.

11 (3) Notwithstanding any other provision of this subdivision, the
12 administrator may expend money from the fund for authorized
13 expenditures when a reimbursement procedure is in place to receive
14 reimbursements for those expenditures from federal oil spill funds.

15 (b) Upon making the determinations specified in paragraph (2)
16 of subdivision (a), the administrator shall immediately make
17 whatever payments are necessary for responding to, containing,
18 or cleaning-up, up the spill, including any wildlife rehabilitation
19 required by law and payment of claims pursuant to Sections
20 8670.51 and 8670.51.1, subject to the lien established by Section
21 8670.53.2.

22 *SEC. 44. Section 8670.50 of the Government Code is amended*
23 *to read:*

24 8670.50. (a) Money from the fund may only be expended to
25 cover the costs incurred by the state and local governments and
26 agencies for any of the following:

27 (1) Responding promptly to, containing, and cleaning up the
28 discharge, if those efforts are any of the following:

29 (A) Undertaken pursuant to the state and local oil spill
30 contingency plans established under this chapter, and the ~~marine~~
31 ~~response element of the~~ California oil spill contingency plan
32 established under Article 3.5 (commencing with Section 8574.1)
33 of Chapter 7.

34 (B) Undertaken consistent with the standardized emergency
35 management system established pursuant to Section 8607.

36 (C) Undertaken at the direction of the administrator.

37 (2) Meeting the requirements of Section ~~8670.61.5~~, 8670.61.5
38 relating to wildlife rehabilitation.

39 (3) Making the payments authorized by subdivision (k) of
40 Section 8670.48.

(b) In the event of an oil spill, the administrator shall make whatever expenditures are necessary and appropriate from the fund to cover the costs described in subdivision (a), subject to the lien established pursuant to Section 8670.53.2.

SEC. 45. Section 8670.51 of the Government Code is amended to read:

8670.51. (a) When a person has obtained a final judgment for damages resulting from an oil spill in ~~marine~~ waters of the state, but is unable, within one year after the date of its entry, to enforce the judgment pursuant to Title 9 (commencing with Section 680.010) of the Code of Civil Procedure, or is unable to obtain satisfaction of the judgment from the federal government within 90 additional days, the administrator shall pay an amount not to exceed those amounts ~~which~~ that cannot be recovered from a responsible party and the fund shall be subrogated to all rights, claims, and causes of action that the claimant has under this chapter, Article 3.5 (commencing with Section 8574.1) of Chapter 7, Section 8670.61.5, and Division 7.8 (commencing with Section 8750) of the Public Resources Code.

(b) Any person may apply to the fund for compensation for damages and losses suffered as a result of an oil spill in ~~marine~~ waters of the state under any of the following conditions:

(1) The responsible party or parties cannot be ascertained.

(2) A responsible party is not liable for noneconomic damages caused by another.

(3) Subdivision (i) of Section 8670.56.6 is applicable to the claim.

(c) The administrator shall not approve any claim in an amount ~~which~~ that exceeds the amount to which the person would otherwise be entitled pursuant to Section 8670.56.5, and shall pay claims from the fund ~~which~~ that are approved pursuant to this section.

SEC. 46. Section 8670.53 of the Government Code is amended to read:

8670.53. The Attorney General, in consultation with the administrator, shall undertake actions to recover all costs to the funds from any responsible party for an oil spill into ~~marine~~ waters of the state for which expenditures are made from the fund. The recovery of costs pursuant to this section shall not foreclose the Attorney General from any other actions allowed by law.

SEC. 47. Section 8670.54 of the Government Code is amended to read:

8670.54. (a) The Oil Spill Technical Advisory Committee, hereafter in this ~~article~~ *article*, the committee, is hereby established to provide public input and independent judgment of the actions of the administrator. The committee shall consist of ~~10~~ *14* members, of whom ~~six~~ *eight* shall be appointed by the Governor, ~~two~~ *three* by the Speaker of the Assembly, and ~~two~~ *three* by the Senate Rules Committee. The appointments shall be made in the following manner:

(1) The ~~Speaker of the Assembly, Assembly and Senate Rules Committee on Rules~~ shall each appoint ~~members~~ *a member* who shall be ~~representatives~~ *a representative* of the public.

(2) The Governor shall appoint a member who has a demonstrable knowledge of marine transportation.

(3) The Speaker of the Assembly and the Senate ~~Rules Committee on Rules~~ shall each appoint ~~a member~~ *two members* who ~~has~~ *have* demonstrable knowledge of environmental protection and the study of ecosystems.

(4) The Governor shall appoint a member who has served as a local government elected official or who has worked for a local government.

(5) The Governor shall appoint a member who has experience in oil spill response and prevention programs.

(6) The Governor shall appoint a member who has been employed in the petroleum industry.

(7) The Governor shall appoint a member who has worked in state government.

(8) The Governor shall appoint a member who has demonstrable knowledge of the dry cargo vessel industry.

(9) *The Governor shall appoint a member who has demonstrable knowledge of the railroad industry.*

(10) *The Governor shall appoint a member who has demonstrable knowledge of the oil production industry.*

(b) The committee shall meet as often as required, but at least twice per year. Members shall be paid one hundred dollars (\$100) per day for each meeting and all necessary travel expenses at state per diem rates.

(c) The administrator and any personnel the administrator determines to be appropriate shall serve as staff to the committee.

(d) A ~~chairman chair~~ and vice ~~chairman chair~~ shall be elected by a majority vote of the committee.

~~(e) This section shall become operative on January 1, 2012.~~

SEC. 48. *Section 8670.55 of the Government Code is amended to read:*

8670.55. (a) The committee shall provide recommendations to the administrator, the State Lands Commission, the California Coastal Commission, ~~and the San Francisco Bay Conservation and Development Commission, the Division of Oil, Gas, and Geothermal Resources, the Office of the State Fire Marshal, and the Public Utilities Commission,~~ on any provision of this ~~chapter~~ *chapter*, including the promulgation of all rules, regulations, guidelines, and policies.

(b) The committee may, ~~at its own discretion,~~ study, comment on, or evaluate, *at its own discretion*, any aspect of oil spill prevention and response in the state. To the greatest extent possible, these studies shall be coordinated with studies being done by the federal government, the administrator, the State Lands Commission, the State Water Resources Control Board, and other appropriate state and international entities. Duplication with the efforts of other entities shall be minimized.

(c) The committee may attend any drills called pursuant to Section ~~8601.10~~ 8670.10 or any oil spills, if practicable.

(d) The committee shall report biennially to the Governor and the Legislature on its evaluation of oil spill response and preparedness programs within the state and may prepare and send any additional reports it determines to be appropriate to the Governor and the Legislature.

~~(e) On or before August 1, 2005, the committee shall review the Department of Finance report required under Section 8670.42 and prepare and submit to the Governor and the Legislature comments on the report, including, but not limited to, recommendations for improving the state's oil spill prevention, response, and preparedness program.~~

~~(f) This section shall become operative on January 1, 2012.~~

SEC. 49. *Section 8670.56.5 of the Government Code is amended to read:*

8670.56.5. (a) A responsible party, as defined in Section 8670.3, shall be absolutely liable without regard to fault for any

1 damages incurred by any injured party that arise out of, or are
2 caused by a ~~spill or inland~~ spill.

3 (b) A responsible person is not liable to an injured party under
4 this section for any of the following:

5 (1) Damages, other than costs of removal incurred by the state
6 or a local government, caused solely by any act of war, hostilities,
7 civil war, or insurrection or by an unanticipated grave natural
8 disaster or other act of God of an exceptional, inevitable, and
9 irresistible character, ~~which~~ *that* could not have been prevented
10 or avoided by the exercise of due care or foresight.

11 (2) Damages caused solely by the negligence or intentional
12 malfeasance of that injured party.

13 (3) Damages caused solely by the criminal act of a third party
14 other than the defendant or an agent or employee of the defendant.

15 (4) Natural seepage not caused by a responsible party.

16 (5) Discharge or leaking of oil or natural gas from a private
17 pleasure boat or vessel.

18 (6) Damages that arise out of, or are caused by, a discharge that
19 is authorized by a state or federal permit.

20 (c) The defenses provided in subdivision (b) shall not be
21 available to a responsible person who fails to comply with Sections
22 8670.25, 8670.25.5, 8670.27, and 8670.62.

23 (d) Upon motion and sufficient showing by a party deemed to
24 be responsible under this section, the court shall join to the action
25 any other party who may be responsible under this section.

26 (e) In determining whether a party is a responsible party under
27 this section, the court shall consider the results of chemical or other
28 scientific tests conducted to determine whether oil or other
29 substances produced, discharged, or controlled by the defendant
30 matches the oil or other substance that caused the damage to the
31 injured party. The defendant shall have the burden of producing
32 the results of tests of samples of the substance that caused the
33 injury and of substances for which the defendant is responsible,
34 unless it is not possible to conduct the tests because of
35 unavailability of samples to test or because the substance is not
36 one for which reliable tests have been developed. At the request
37 of a party, any other party shall provide samples of oil or other
38 substances within its possession or control for testing.

39 (f) The court may award reasonable costs of the suit, attorneys'
40 fees, and the costs of necessary expert witnesses to a prevailing

1 plaintiff. The court may award reasonable costs of the suit and
2 attorneys' fees to a prevailing defendant if the court finds that the
3 plaintiff commenced or prosecuted the suit ~~under~~ pursuant to this
4 section in bad faith or solely for purposes of harassing the
5 defendant.

6 (g) This section does not prohibit a person from bringing an
7 action for damages caused by oil or by exploration, under any
8 other provision or principle of law, including, but not limited to,
9 common law. However, damages shall not be awarded pursuant
10 to this section to an injured party for loss or injury for which the
11 party is or has been awarded damages under any other provision
12 or principle of law. Subdivision (b) does not create a defense not
13 otherwise available regarding an action brought under any other
14 provision or principle of law, including, but not limited to, common
15 law.

16 (h) Damages for which responsible parties are liable under this
17 section include the following:

18 (1) All costs of response, containment, cleanup, removal, and
19 treatment, including, but not limited to, monitoring and
20 administration costs incurred pursuant to the California oil spill
21 contingency plan or actions taken pursuant to directions by the
22 administrator.

23 (2) Injury to, or economic losses resulting from destruction of
24 or injury to, real or personal property, which shall be recoverable
25 by any claimant who has an ownership or leasehold interest in
26 property.

27 (3) Injury to, destruction of or loss of, natural resources,
28 including, but not limited to, the reasonable costs of rehabilitating
29 wildlife, habitat, and other resources and the reasonable costs of
30 assessing that injury, destruction, or loss, in an action brought by
31 the state, a county, city, or district. Damages for the loss of natural
32 resources may be determined by any reasonable method, including,
33 but not limited to, determination according to the costs of restoring
34 the lost resource.

35 (4) Loss of subsistence use of natural resources, which shall be
36 recoverable by a claimant who so uses natural resources that have
37 been injured, destroyed, or lost.

38 (5) Loss of taxes, royalties, rents, or net profit shares caused by
39 the injury, destruction, loss, or impairment of use of real property,
40 personal property, or natural resources.

1 (6) Loss of profits or impairment of earning capacity due to the
2 injury, destruction, or loss of real property, personal property, or
3 natural resources, which shall be recoverable by any claimant who
4 derives at least 25 percent of his or her earnings from the activities
5 that utilize the property or natural resources, or, if those activities
6 are seasonal in nature, 25 percent of his or her earnings during the
7 applicable season.

8 (7) Loss of use and enjoyment of natural resources, public
9 beaches, and other public resources or facilities, in an action
10 brought by the state, a county, city, or district.

11 (i) Except as provided in Section 1431.2 of the Civil Code,
12 liability under this section shall be joint and several. However, this
13 section does not bar a cause of action that a responsible party has
14 or would have, by reason of subrogation or otherwise, against a
15 person.

16 (j) This section does not apply to claims for damages for
17 personal injury or wrongful death, and does not limit the right of
18 a person to bring an action for personal injury or wrongful death
19 ~~under~~ pursuant to any provision or principle of law.

20 (k) Payments made by a responsible party to cover liabilities
21 arising from a discharge of oil, whether under this division or any
22 other provision of federal, state, or local law, shall not be charged
23 against royalties, rents, or net profits owed to the United States,
24 the state, or any other public entity.

25 (l) An action that a private or public individual or entity may
26 have against a responsible party under this section may be brought
27 directly by the individual or entity or by the state on behalf of the
28 individual or entity. However, the state shall not pursue an action
29 on behalf of a private individual or entity that requests the state
30 not to pursue that action.

31 (m) For the purposes of this section, “vessels” means vessels
32 as defined in Section 21 of the Harbors and Navigation Code.

33 *SEC. 50. Section 8670.56.6 of the Government Code is*
34 *amended to read:*

35 8670.56.6. (a) (1) Except as provided in subdivisions (b) and
36 (d), and subject to subdivision (c), ~~no~~ a person, including, but not
37 limited to, an oil spill cooperative, its agents, subcontractors, or
38 employees, shall *not* be liable under this chapter or the laws of the
39 state to any person for costs, damages, or other claims or expenses
40 as a result of actions taken or omitted in good faith in the course

1 of rendering care, assistance, or advice in accordance with the
2 National Contingency Plan, the California oil spill contingency
3 plan, or at the direction of the administrator, onsite coordinator,
4 or the Coast Guard in response to a spill or threatened ~~spill of oil.~~
5 *spill.*

6 (2) The qualified immunity under this section shall not apply
7 to any oil spill response action that is inconsistent with the
8 following:

9 (A) The directions of the unified command, consisting of at
10 least the Coast Guard and the administrator.

11 (B) In the absence of a unified command, the directions of the
12 administrator pursuant to Section 8670.27.

13 (C) In the absence of directions pursuant to subparagraph (A)
14 or (B), applicable oil spill contingency plans implemented under
15 this division.

16 (3) Nothing in this section shall, in any manner or respect, affect
17 or impair any cause of action against or any liability of any person
18 or persons responsible for the spill, for the discharged oil, or for
19 the vessel, terminal, pipeline, or facility from which the oil was
20 discharged. The responsible person or persons shall remain liable
21 for any and all damages arising from the discharge, including
22 damages arising from improperly carried out response efforts, as
23 otherwise provided by law.

24 (b) Nothing in this section shall, in any manner or respect, affect
25 or impair any cause of action against or any liability of any party
26 or parties responsible for the spill, or the responsible party's agents,
27 employees, or subcontractors, except persons immunized under
28 subdivision (a) for response efforts, for the discharged oil, or for
29 the vessel, terminal, pipeline, or ~~marine~~ facility from which the
30 oil was discharged.

31 (c) The responsible party or parties shall be subject to both of
32 the following:

33 (1) Notwithstanding subdivision (b) or (i) of Section 8670.56.5,
34 or any other ~~provision of~~ law, be strictly and jointly and severally
35 liable for all damages arising pursuant to subdivision (h) of Section
36 8670.56.5 from the response efforts of its agents, employees,
37 subcontractors, or an oil spill cooperative of which it is a member
38 or with which it has a contract or other arrangement for cleanup
39 of its oil spills, unless it would have a defense to the original spill.

1 (2) Remain strictly liable for any and all damages arising from
2 the response efforts of a person other than a person specified in
3 paragraph (1).

4 (d) Nothing in this section shall immunize a cooperative or any
5 other person from liability for acts of gross negligence or willful
6 misconduct in connection with the cleanup of a spill.

7 (e) This section does not apply to any action for personal injury
8 or wrongful death.

9 (f) As used in this section, a “cooperative” means an
10 organization of private persons ~~which~~ *that* is established for the
11 primary purpose and activity of preventing or rendering care,
12 assistance, or advice in response to a spill or threatened spill.

13 (g) Except for the responsible party, membership in a
14 cooperative shall not, ~~in and of itself~~, be grounds, *in and of itself*,
15 for liability resulting from cleanup activities of the cooperative.

16 (h) For purposes of this section, there shall be a rebuttable
17 presumption that an act or omission described in subdivision (a)
18 was taken in good faith.

19 (i) In any situation in which immunity is granted pursuant to
20 subdivision (a) and a responsible party is not liable, is not liable
21 for noneconomic damages caused by another, or is partially or
22 totally insolvent, the fund provided for in Article 7 (commencing
23 with Section 8670.46) shall, ~~in accordance with its terms~~,
24 reimburse, *in accordance with its terms*, claims of any injured
25 party for which a person who is granted immunity pursuant to this
26 section would otherwise be liable.

27 (j) (1) The immunity granted by this section shall only apply
28 to response efforts that are undertaken after the administrator
29 certifies that contracts with qualified and responsible persons are
30 in place to ensure an adequate and expeditious response to any
31 foreseeable oil spill that may occur in ~~marine~~ *waters of the state*
32 for which the responsible party (A) cannot be identified or (B) is
33 unable or unwilling to respond, contain, and clean up the oil spill
34 in an adequate and timely manner. In negotiating these contracts,
35 the administrator shall, ~~to the maximum extent practicable~~, procure,
36 *to the maximum extent practicable*, the services of persons who
37 are willing to respond to oil spills with no, or lesser, immunity
38 than that conferred by this section, but, in no event, a greater
39 immunity. The administrator shall make the certification required
40 by this subdivision on an annual basis. Upon certification, the

1 immunity conferred by this section shall apply to all response
2 efforts undertaken during the calendar year to which the
3 certification applies. In the absence of the certification required
4 by this subdivision, the immunity conferred by this section shall
5 not attach to any response efforts undertaken by any person in
6 ~~marine~~ waters of the state.

7 (2) In addition to the authority to negotiate contracts described
8 in paragraph (1), the administrator may also negotiate and enter
9 into indemnification agreements with qualified and financially
10 responsible persons to respond to oil spills that may occur in ~~marine~~
11 waters of the state for which the responsible party (A) cannot be
12 identified or (B) is unable or unwilling to respond, contain, and
13 clean up the oil spill in an adequate and timely manner.

14 (3) The administrator may indemnify response contractors for
15 (A) all damages payable by means of settlement or judgment that
16 arise from response efforts to which the immunity conferred by
17 this section would otherwise apply, and (B) reasonably related
18 legal costs and expenses incurred by the responder, provided that
19 indemnification shall only apply to response efforts undertaken
20 after the expiration of any immunity that may exist as the result
21 of the contract negotiations authorized in this subdivision. In
22 negotiating these contracts, the administrator shall, ~~to the maximum~~
23 ~~extent practicable~~, procure, *to the maximum extent practicable*,
24 the services of persons who are willing to respond to oil spills with
25 no, or as little, right to indemnification as possible. All
26 indemnification shall be paid by the administrator from the Oil
27 Spill Response Trust Fund.

28 (4) (A) The contracts required by this section, and any other
29 contracts entered into by the administrator for response,
30 containment, or cleanup of an existing spill, *or for response of an*
31 *imminent threat of a spill*, the payment of which is to be made
32 from the Oil Spill Response Trust Fund created pursuant to Section
33 8670.46, ~~or for response to an imminent threat of a spill, the~~
34 ~~payment of which is to be made out of the Oil Spill Prevention~~
35 ~~and Administration Fund created pursuant to Section 8670.38,~~
36 shall be exempt from Part 2 (commencing with Section 10100) of
37 Division 2 of the Public Contract Code and Article 6 (commencing
38 with Section 999) of Chapter 6 of Division 4 of the Military and
39 Veterans Code.

1 (B) The exemption specified in subparagraph (A) applies only
2 to contracts for which the services are used for a period of less
3 than 90 days, cumulatively, per year.

4 (C) This paragraph shall not be construed as limiting the
5 administrator's authority to exercise the emergency powers granted
6 pursuant to subdivision (c) of Section 8670.62, including the
7 authority to enter into emergency contracts that are exempt from
8 approval by the Department of General Services.

9 (k) (1) With regard to a person who is regularly engaged in the
10 business of responding to oil spills, the immunity conferred by
11 this section shall not apply to any response efforts by that person
12 that occur later than 60 days after the first day the person's response
13 efforts commence.

14 (2) Notwithstanding the limitation contained in paragraph (1),
15 the administrator may, ~~upon making all the following findings,~~
16 extend, *upon making all the following findings*, the period of time,
17 not to exceed 30 days, during which the immunity conferred by
18 this section applies to response efforts:

19 (A) Due to inadequate or incomplete containment and
20 stabilization, there exists a substantial probability that the size of
21 the spill will significantly expand and (i) threaten previously
22 uncontaminated ~~marine or land~~ resources, (ii) threaten already
23 contaminated ~~marine or land~~ resources with substantial additional
24 contamination, or (iii) otherwise endanger the public health and
25 safety or harm the environment.

26 (B) The remaining work is of a difficult or perilous nature that
27 extension of the immunity is clearly in the public interest.

28 (C) No other qualified and financially responsible contractor is
29 prepared and willing to complete the response effort in the absence
30 of the immunity, or a lesser immunity, as negotiated by contract.

31 (3) The administrator shall provide five days' notice of his or
32 her proposed decision to either extend, or not extend, the immunity
33 conferred by this section. Interested parties shall be given an
34 opportunity to present oral and written evidence at an informal
35 hearing. In making his or her proposed decision, the administrator
36 shall specifically seek and consider the advice of the relevant Coast
37 Guard representative. The administrator's decision to not extend
38 the immunity shall be announced at least 10 working days before
39 the expiration of the immunity to provide persons an opportunity

1 to terminate their response efforts as contemplated by paragraph
2 (4).

3 (4) ~~No~~ A person or their agents, subcontractors, or employees
4 shall *not* incur any liability under this chapter or any other
5 provision of law solely as a result of that person's decision to
6 terminate their response efforts because of the expiration of the
7 immunity conferred by this section. A person's decision to
8 terminate response efforts because of the expiration of the
9 immunity conferred by this section shall not in any manner impair,
10 curtail, limit, or otherwise affect the immunity conferred on the
11 person with regard to the person's response efforts undertaken
12 during the period of time the immunity applied to those response
13 efforts.

14 (5) The immunity granted under this section shall attach, without
15 the limitation contained in this subdivision, to the response efforts
16 of any person who is not regularly engaged in the business of
17 responding to oil spills. A person who is not regularly engaged in
18 the business of responding to oil spills includes, but is not limited
19 to, (A) a person who is primarily dedicated to the preservation and
20 rehabilitation of wildlife and (B) a person who derives his or her
21 livelihood primarily from fishing.

22 (l) As used in this section, "response efforts" means rendering
23 care, assistance, or advice in accordance with the National
24 Contingency Plan, the California oil spill contingency plan, or at
25 the direction of the administrator, ~~onsite coordinator,~~ *United States*
26 *Environmental Protection Agency*, or the Coast Guard in response
27 to a spill or threatened spill into ~~marine~~ *waters of the state*.

28 *SEC. 51. Section 8670.61.5 of the Government Code is*
29 *amended to read:*

30 8670.61.5. (a) For purposes of this chapter, "wildlife
31 rehabilitation" means those actions that are necessary to fully
32 mitigate for the damage *from a spill* caused to wildlife, fisheries,
33 wildlife habitat, and fisheries ~~habitat, including beaches, from a~~
34 ~~spill or inland spill.~~ *habitat.*

35 (b) Responsible parties shall fully mitigate adverse impacts to
36 wildlife, fisheries, wildlife habitat, and fisheries habitat. Full
37 mitigation shall be provided by successfully carrying out
38 environmental projects or funding restoration activities required
39 by the administrator in carrying out projects complying with the
40 requirements of this section. Responsible parties are also liable

1 for the costs incurred by the administrator or other government
2 agencies in carrying out this section.

3 (c) If any significant wildlife rehabilitation is necessary, the
4 administrator may require the responsible party to prepare and
5 submit to the administrator, and to implement, a wildlife
6 rehabilitation plan. The plan shall describe the actions that will be
7 implemented to fully meet the requirements of subdivision (b),
8 describe contingency measures that will be carried out in the event
9 that any of the plan actions are not fully successful, provide a
10 reasonable implementation schedule, describe the monitoring and
11 compliance program, and provide a financing plan. The
12 administrator shall review and determine whether to approve the
13 plan within 60 days of submittal. Before approving a plan, the
14 administrator shall first find that the implementation of the plan
15 will fully mitigate the adverse impacts to wildlife, fisheries, wildlife
16 habitat, and fisheries habitat. If the habitat contains beaches that
17 are or were used for recreational purposes, the Department of Parks
18 and Recreation shall review the plan and provide comments to the
19 administrator.

20 (d) The plan shall place first priority on avoiding and minimizing
21 any adverse impacts. For impacts that do occur, the plan shall
22 provide for full onsite restoration of the damaged resource to the
23 extent feasible. To the extent that full onsite restoration is not
24 feasible, the plan shall provide for offsite in-kind mitigation to the
25 extent feasible. To the extent that adverse impacts still have not
26 been fully mitigated, the plan shall provide for the enhancement
27 of other similar resources to the extent necessary to meet the
28 requirements of subdivision (b). In evaluating whether a wildlife
29 rehabilitation plan is adequate, the administrator may use the
30 habitat evaluation *methods or* procedures established by the United
31 States Fish and Wildlife Service or any other reasonable methods
32 as determined by the ~~Director of Department of Fish and Game~~
33 *Wildlife*.

34 (e) The administrator shall prepare regulations to implement
35 this section. The regulations shall include deadlines for the
36 submittal of plans. In establishing the deadlines, the administrator
37 shall consider circumstances such as the size of the spill and the
38 time needed to assess damage and mitigation.

39 *SEC. 52. Section 8670.62 of the Government Code is amended*
40 *to read:*

1 8670.62. (a) Any person who discharges oil into ~~marine~~ waters
2 *of the state*, upon order of the administrator, shall do all of the
3 following:

4 (1) Clean up the oil.

5 (2) Abate the effects of the discharge.

6 (3) In the case of a threatened discharge, take other necessary
7 remedial action.

8 (b) Upon failure of any person to comply with a cleanup or
9 abatement order, the Attorney General or a district attorney, at the
10 request of the administrator, shall petition the superior court for
11 that county for the issuance of an injunction requiring the person
12 to comply with the order. In any such suit, the court shall have
13 jurisdiction to grant a prohibitory or mandatory injunction, either
14 preliminary or permanent, as the facts may warrant.

15 (c) Consistent with the state contingency plan, the administrator
16 may expend available money to perform any response;
17 containment; cleanup; wildlife rehabilitation, which includes
18 assessment of resource injuries and damages, or remedial work
19 required pursuant to subdivision (a)—~~which that~~, in the
20 administrator's judgment, is required by the circumstances or the
21 urgency of prompt action required to prevent pollution, nuisance,
22 or injury to the environment of the state. The action may be taken
23 in default of, or in addition to, remedial work by the responsible
24 party or other persons, and regardless of whether injunctive relief
25 is sought. The administrator may perform the work in cooperation
26 with any other governmental agency, and may use rented tools or
27 equipment, either with *or without* operators—~~furnished or~~
28 ~~unoperated~~. *furnished*. Notwithstanding any other ~~provisions of~~
29 law, the administrator may enter into oral contracts for the work,
30 and the contracts, whether written or oral, may include provisions
31 for equipment rental and the furnishing of labor and materials
32 necessary to accomplish the work. The contracts shall be exempt
33 from Part 2 (commencing with Section 10100) of Division 2 of
34 the Public Contract Code and Article 6 (commencing with Section
35 999) of Chapter 6 of Division 4 of the Military and Veterans Code.

36 (d) If the discharge is cleaned up, or attempted to be cleaned
37 up, the effects thereof abated, or, in the case of threatened pollution
38 or nuisance, other necessary remedial action is taken by any
39 governmental agency, the person or persons who discharged the
40 waste, discharged the oil, or threatened to cause or permit the

1 discharge of the oil within the meaning of subdivision ~~(a)~~; (a) shall
2 be liable to that governmental agency for the reasonable costs
3 actually incurred in cleaning up that waste, abating the effects
4 thereof, or taking other remedial action. The amount of the costs
5 shall be recoverable in a civil action by, and paid to, the applicable
6 governmental agency and the administrator, to the extent the
7 administrator contributed to the cleanup costs from the Oil Spill
8 Response Trust Fund or other available funds.

9 (e) If, despite reasonable effort by the administrator to identify
10 the party responsible for the discharge of oil or the condition of
11 pollution or nuisance, the person is not identified at the time
12 cleanup, abatement, or remedial work must be performed, the
13 administrator shall not be required to issue an order under this
14 section. The absence of a responsible party shall not in any way
15 limit the powers of the administrator under this section.

16 (f) ~~“Threaten,” for purposes of this section,~~ *For purposes of this*
17 *section, “threaten” means a condition creating a substantial*
18 *probability of harm, when the probability and potential extent of*
19 *harm makes it reasonably necessary to take immediate action to*
20 *prevent, reduce, or mitigate damages to persons, property, or*
21 *natural resources.*

22 *SEC. 53. Section 8670.64 of the Government Code is amended*
23 *to read:*

24 8670.64. (a) A person who commits any of the following ~~acts,~~
25 *acts* shall, upon conviction, be punished by imprisonment in a
26 county jail for not more than one year or by imprisonment pursuant
27 to subdivision (h) of Section 1170 of the Penal Code:

28 (1) Except as provided in Section 8670.27, knowingly fails to
29 follow the direction or orders of the administrator in connection
30 with an oil spill.

31 (2) Knowingly fails to notify the Coast Guard that a vessel is
32 disabled within one hour of the disability and the vessel, while
33 disabled, causes a discharge of oil ~~which~~ *that* enters marine waters.
34 ~~For the purposes of this paragraph, “vessel” means a vessel, as~~
35 ~~defined in Section 21 of the Harbors and Navigation Code, of 300~~
36 ~~gross registered tons or more.~~

37 (3) Knowingly engages in or causes the discharge or spill of oil
38 into ~~marine~~ *waters of the state*, or a person who reasonably should
39 have known that he or she was engaging in or causing the discharge
40 or spill of oil into ~~marine~~ *waters of the state*, unless the discharge

1 is authorized by the United States, the state, or another agency
2 with appropriate jurisdiction.

3 (4) Knowingly fails to begin cleanup, abatement, or removal of
4 spilled oil as required in Section 8670.25.

5 (b) The court shall also impose upon a person convicted of
6 violating subdivision (a), a fine of not less than five thousand
7 dollars (\$5,000) or more than five hundred thousand dollars
8 (\$500,000) for each violation. For purposes of this subdivision,
9 each day or partial day that a violation occurs is a separate
10 violation.

11 (c) (1) A person who knowingly does any of the acts specified
12 in paragraph (2) shall, upon conviction, be punished by a fine of
13 not less than two thousand five hundred dollars (\$2,500) or more
14 than two hundred fifty thousand dollars (\$250,000), or by
15 imprisonment in a county jail for not more than one year, or by
16 both the fine and imprisonment. Each day or partial day that a
17 violation occurs is a separate violation. If the conviction is for a
18 second or subsequent violation of this subdivision, the person shall
19 be punished by imprisonment pursuant to subdivision (h) of Section
20 1170 of the Penal Code, or in a county jail for not more than one
21 year, or by a fine of not less than five thousand dollars (\$5,000)
22 or more than five hundred thousand dollars (\$500,000), or by both
23 that fine and imprisonment:

24 (2) The acts subject to this subdivision are all of the following:

25 (A) Failing to notify the Office of Emergency Services in
26 violation of Section 8670.25.5.

27 (B) Knowingly making a false or misleading ~~marine~~ oil spill
28 report to the Office of Emergency Services.

29 (C) Continuing operations for which an oil spill contingency
30 plan is required without an oil spill contingency plan approved
31 pursuant to Article 5 (commencing with Section 8670.28).

32 (D) Except as provided in Section 8670.27, knowingly failing
33 to follow the material provisions of an applicable oil spill
34 contingency plan.

35 *SEC. 54. Section 8670.66 of the Government Code is amended*
36 *to read:*

37 8670.66. (a) Any person who intentionally or negligently does
38 any of the following acts shall be subject to a civil penalty for a
39 spill of not less than fifty thousand dollars (\$50,000) or more than
40 one million dollars (\$1,000,000), ~~or for an inland spill not to exceed~~

1 ~~fifty thousand dollars (\$50,000)~~, for each violation, and each day
2 or partial day that a violation occurs is a separate violation:

3 (1) Except as provided in Section 8670.27, fails to follow the
4 direction or orders of the administrator in connection with a spill
5 or inland spill.

6 (2) Fails to notify the Coast Guard that a vessel is disabled
7 within one hour of the disability and the vessel, while disabled,
8 causes a spill that enters ~~marine~~ waters of the state. For the
9 purposes of this paragraph, “vessel” means a vessel, as defined in
10 Section 21 of the Harbors and Navigation Code, of 300 gross
11 registered tons or more.

12 (3) Is responsible for a ~~spill or inland~~ spill, unless the discharge
13 is authorized by the United States, the state, or other agency with
14 appropriate jurisdiction.

15 (4) Fails to begin cleanup, abatement, or removal of oil as
16 required in Section 8670.25.

17 (b) Except as provided in subdivision (a), any person who
18 intentionally or negligently violates any provision of this chapter,
19 or Division 7.8 (commencing with Section 8750) of the Public
20 Resources Code, or any permit, rule, regulation, standard, or
21 requirement issued or adopted pursuant to those provisions, shall
22 be liable for a civil penalty not to exceed two hundred fifty
23 thousand dollars (\$250,000) for each violation of a separate
24 provision, or, for continuing violations, for each day that violation
25 continues.

26 (c) ~~No~~ A person shall *not* be liable for a civil penalty imposed
27 under this section and for a civil penalty imposed pursuant to
28 Section 8670.67 for the same act or failure to act.

29 *SEC. 55. Section 8670.67 of the Government Code is amended*
30 *to read:*

31 8670.67. (a) Any person who intentionally or negligently does
32 any of the following acts shall be subject to an administrative civil
33 penalty for a spill not to exceed two hundred thousand dollars
34 (\$200,000), ~~or for an inland spill not to exceed fifty thousand~~
35 ~~dollars (\$50,000)~~, for each violation as imposed by the
36 administrator pursuant to Section 8670.68, and each day or partial
37 day that a violation occurs is a separate violation:

38 (1) Except as provided in Section 8670.27, fails to follow the
39 applicable contingency plans or the direction or orders of the
40 administrator in connection with a spill or inland spill.

(2) Fails to notify the Coast Guard that a vessel is disabled within one hour of the disability and the vessel, while disabled, causes a discharge that enters ~~marine waters or inland waters of the state~~. For the purposes of this paragraph, “vessel” means a vessel, as defined in Section 21 of the Harbors and Navigation Code, of 300 gross ~~registered~~ tons or more.

(3) Is responsible for a ~~spill or inland~~ spill, unless the discharge is authorized by the United States, the state, or other agency with appropriate jurisdiction.

(4) Fails to begin cleanup, abatement, or removal of spilled oil as required by Section 8670.25.

(b) Except as provided in subdivision (a), any person who intentionally or negligently violates any provision of this chapter, or Division 7.8 (commencing with Section 8750) of the Public Resources Code, or any permit, rule, regulation, standard, cease and desist order, or requirement issued or adopted pursuant to those provisions, shall be liable for an administrative civil penalty as imposed by the administrator pursuant to Section 8670.68, not to exceed one hundred thousand dollars (\$100,000) for each violation of a separate provision, or, for continuing violations, for each day that violation continues.

(c) ~~No~~ A person shall *not* be liable for a civil penalty imposed under this section and for a civil penalty imposed pursuant to Section 8670.66 for the same act or failure to act.

SEC. 56. Section 8670.67.5 of the Government Code is amended to read:

8670.67.5. (a) Any person who without regard to intent or negligence causes or permits a ~~spill or inland spill~~ shall be strictly liable civilly in accordance with subdivision (b) or (c).

(b) A penalty may be administratively imposed by the administrator in accordance with Section 8670.68 ~~in an amount not to exceed ten dollars (\$10) per gallon of oil released for an inland spill, and in an amount not to exceed twenty dollars (\$20) per gallon for a spill~~. The amount of the penalty shall be reduced for every gallon of released oil that is recovered and properly disposed of in accordance with applicable law.

(c) Whenever the release of oil resulted from gross negligence or reckless conduct, the administrator shall, in accordance with Section 8670.68, impose a penalty ~~in the amount of thirty dollars (\$30) per gallon of oil released for an inland spill, and in an amount~~

1 not to exceed sixty dollars (\$60) *per gallon* for a spill. The amount
2 of the penalty shall be reduced for every gallon of released oil that
3 is recovered and properly disposed of in accordance with applicable
4 law.

5 (d) The administrator shall adopt regulations governing the
6 method for determining the amount of oil that is cleaned up.

7 *SEC. 57. Section 8670.69.4 of the Government Code is*
8 *amended to read:*

9 8670.69.4. (a) When the administrator determines that any
10 person has undertaken, or is threatening to undertake, any activity
11 or procedure that (1) requires a permit, certificate, approval, or
12 authorization under this chapter, without securing a permit, or (2)
13 is inconsistent with any of the permits, certificates, rules,
14 regulations, guidelines, or ~~authorizations~~, *authorizations* previously
15 issued or adopted by the administrator, or (3) threatens to cause
16 or substantially increases the risk of unauthorized discharge of oil
17 into the ~~marine~~ waters of the state, the administrator may issue an
18 order requiring that person to cease and desist.

19 (b) Any cease and desist order issued by the administrator may
20 be subject to ~~such~~ *those* terms and conditions as the administrator
21 may determine are necessary to ensure compliance with this
22 division.

23 (c) Any cease and desist order issued by the administrator shall
24 become null and void 90 days after issuance.

25 (d) A cease and desist order issued by the administrator shall
26 be effective upon the issuance thereof, and copies shall be served
27 immediately by certified mail upon the person or governmental
28 agency being charged with the actual or threatened violation.

29 (e) Any cease and desist order issued by the administrator shall
30 be consistent with subdivision (a) of Section 8670.27.

31 *SEC. 58. Section 8670.69.7 of the Government Code is*
32 *repealed.*

33 ~~8670.69.7. All penalties collected under this article for inland~~
34 ~~spills shall be deposited into the Fish and Wildlife Pollution~~
35 ~~Account in the Fish and Game Preservation Fund and be available~~
36 ~~for expenditure in accordance with Section 12017 of the Fish and~~
37 ~~Game Code.~~

38 *SEC. 59. Section 8670.71 of the Government Code is amended*
39 *to read:*

1 8670.71. (a) The administrator shall fund only those projects
2 approved by the Environmental Enhancement Committee.

3 (b) For the purposes of this article, an enhancement project is
4 a project that acquires habitat for preservation, or improves habitat
5 quality and ecosystem function above baseline conditions, and that
6 meets all of the following requirements:

7 (1) Is located within or immediately adjacent to ~~California~~
8 ~~marine waters of the state~~, as defined in ~~subdivision (i) of Section~~
9 8670.3.

10 (2) Has measurable outcomes within a predetermined timeframe.

11 (3) Is designed to acquire, restore, or improve habitat or restore
12 ecosystem function, or both, to benefit fish and wildlife.

13 *SEC. 60. Section 8670.95 is added to the Government Code,*
14 *to read:*

15 *8670.95. If any provision of this chapter or the application*
16 *thereof to any person or circumstances is held invalid, that*
17 *invalidity shall not affect other provisions or applications of the*
18 *chapter that can be given effect without the invalid provision or*
19 *application, and to this end the provisions of this chapter are*
20 *severable.*

21 *SEC. 61. Section 449 of the Harbors and Navigation Code is*
22 *amended to read:*

23 449. (a) The marine exchange and its officers and directors
24 are subject to Section 5047.5 of the Corporations Code to the extent
25 that the marine exchange meets the criteria specified in that section.

26 (b) Nothing in this section shall be deemed to include the marine
27 exchange or its officers, directors, employees, or representatives
28 within the meaning of “responsible party” as defined in ~~subdivision~~
29 ~~(q) of Section 8670.3 of the Government Code and subdivision~~
30 ~~(p) of Section 8750 of the Public Resources Code for the purposes~~
31 ~~of the Lempert-Keene-Seastrand Oil Spill Prevention and Response~~
32 ~~Act (Article 3.5 (commencing with Section 8574.1) of Chapter 7~~
33 ~~and Chapter 7.4 (commencing with Section 8670.1) of Division 1~~
34 ~~of Title 2 of the Government Code and Division 7.8 (commencing~~
35 ~~with Section 8750) of the Public Resources Code).~~

36 *SEC. 62. It is the intent of the Legislature that the*
37 *reorganization and transfer made by Sections 63 to 127, inclusive,*
38 *Section 181, and Sections 187 to 190, inclusive, of this act be*
39 *carried out in a manner to preserve state primacy under the federal*

1 *Safe Drinking Water Act and that the terms of this act shall be*
2 *liberally construed to achieve this purpose.*

3 *SEC. 63. Section 116271 is added to the Health and Safety*
4 *Code, to read:*

5 *116271. (a) The State Water Resources Control Board*
6 *succeeds to and is vested with all of the authority, duties, powers,*
7 *purposes, functions, responsibilities, and jurisdiction of the State*
8 *Department of Public Health, its predecessors, and its director*
9 *for purposes of all of the following:*

10 *(1) The Environmental Laboratory Accreditation Act (Article*
11 *3 (commencing with Section 100825) of Chapter 4 of Part 1 of*
12 *Division 101).*

13 *(2) Article 3 (commencing with Section 106875) of Chapter 4*
14 *of Part 1.*

15 *(3) Article 1 (commencing with Section 115825) of Chapter 5*
16 *of Part 10.*

17 *(4) This chapter and the Safe Drinking Water State Revolving*
18 *Fund Law of 1997 (Chapter 4.5 (commencing with Section*
19 *116760)).*

20 *(5) Article 2 (commencing with Section 116800), Article 3*
21 *(commencing with Section 116825), and Article 4 (commencing*
22 *with Section 116875) of Chapter 5.*

23 *(6) Chapter 7 (commencing with Section 116975).*

24 *(7) The Safe Drinking Water, Water Quality and Supply, Flood*
25 *Control, River and Coastal Protection Bond Act of 2006 (Division*
26 *43 (commencing with Section 75001) of the Public Resources*
27 *Code).*

28 *(8) The Water Recycling Law (Chapter 7 (commencing with*
29 *Section 13500) of Division 7 of the Water Code).*

30 *(9) Chapter 7.3 (commencing with Section 13560) of Division*
31 *7 of the Water Code.*

32 *(10) The California Safe Drinking Water Bond Law of 1976*
33 *(Chapter 10.5 (commencing with Section 13850) of Division 7 of*
34 *the Water Code).*

35 *(11) Wholesale Regional Water System Security and Reliability*
36 *Act (Division 20.5 (commencing with Section 73500) of the Water*
37 *Code).*

38 *(12) Water Security, Clean Drinking Water, Coastal and Beach*
39 *Protection Act of 2002 (Division 26.5 (commencing with Section*
40 *79500) of the Water Code).*

1 (b) *The State Water Resources Control Board shall maintain a*
2 *drinking water program and carry out the duties, responsibilities,*
3 *and functions described in this section. Statutory reference to*
4 *“department,” “state department,” or “director” regarding a*
5 *function transferred to the State Water Resources Control Board*
6 *shall refer to the State Water Resources Control Board. This*
7 *section does not impair the authority of a local health officer to*
8 *enforce this chapter or a county’s election not to enforce this*
9 *chapter, as provided in Section 116500.*

10 (c) *The State Water Resources Control Board shall succeed to*
11 *the status of grantee or applicant, as appropriate, for any federal*
12 *Drinking Water State Revolving Fund capitalization grants that*
13 *the State Department of Public Health and any of its predecessors*
14 *applied for.*

15 (d) *Regulations adopted, orders issued, and all other*
16 *administrative actions taken by the State Department of Public*
17 *Health, any of its predecessors, or its director, pursuant to the*
18 *authorities now vested in the State Water Resources Control Board*
19 *and in effect immediately preceding the operative date of this*
20 *section shall remain in effect and are fully enforceable unless and*
21 *until readopted, amended, or repealed, or until they expire by their*
22 *own terms. Regulations in the process of adoption pursuant to the*
23 *authorities vested in the State Water Resources Control Board*
24 *shall continue under the authority of the State Water Resources*
25 *Control Board unless and until the State Water Resources Control*
26 *Board determines otherwise. Any other administrative action*
27 *adopted, prescribed, taken, or performed by, or on behalf of, the*
28 *State Department of Public Health, or its director, in the*
29 *administration of a program or the performance of a duty,*
30 *responsibility, or authorization transferred to the State Water*
31 *Resources Control Board shall remain in effect and shall be*
32 *deemed to be an action of the State Water Resources Control Board*
33 *unless and until the State Water Resources Control Board*
34 *determines otherwise.*

35 (e) *Permits, licenses, accreditations, certificates, and other*
36 *formal approvals and authorizations issued by the State*
37 *Department of Public Health, any of its predecessors, or its*
38 *director pursuant to authorities vested in the State Water Resources*
39 *Control Board pursuant to this section are not affected by the*
40 *transfer and remain in effect, subject to all applicable laws and*

1 regulations, unless and until renewed, reissued, revised, amended,
2 suspended, or revoked by the State Water Resources Control Board
3 or its deputy director, as authorized pursuant to subdivision (k).

4 (f) Any action or proceeding by or against the State Department
5 of Public Health, including any officer or employee of the State
6 Department of Public Health named in an official capacity, or any
7 of its predecessors, pertaining to matters vested in the State Water
8 Resources Control Board by this section shall not abate, but shall
9 continue in the name of the State Water Resources Control Board.
10 The State Water Resources Control Board shall be substituted for
11 the State Department of Public Health, including any officer or
12 employee of the State Department of Public Health named in an
13 official capacity, and any of its predecessors, by the court or
14 agency where the action or proceeding is pending. The substitution
15 shall not in any way affect the rights of the parties to the action
16 or proceeding.

17 (g) On and after the operative date of this section, the
18 unexpended balance of all funds available for use by the State
19 Department of Public Health or any of its predecessors in carrying
20 out any functions transferred to the State Water Resources Control
21 Board are available for use by the State Water Resources Control
22 Board.

23 (h) Books, documents, data, records, and property of the State
24 Department of Public Health pertaining to functions transferred
25 to the State Water Resources Control Board shall be transferred
26 to the State Water Resources Control Board. This subdivision does
27 not transfer any part of property commonly known as the Richmond
28 Campus that is owned by the State Public Works Board.

29 (i) A contract, lease, license, or any other agreement, including
30 local primacy agreements, as described in Section 116330, to
31 which the State Department of Public Health, any of its
32 predecessors, its director, or their agents, is a party, are not void
33 or voidable by reason of this section, but shall continue in full
34 force and effect, with the State Water Resources Control Board
35 assuming all of the rights, obligations, liabilities, and duties of the
36 State Department of Public Health and any of its predecessors as
37 it relates to the duties, powers, purposes, responsibilities, and
38 jurisdiction vested in the State Water Resources Control Board
39 pursuant to this section. This assumption does not affect the rights
40 of the parties to the contract, lease, license, or agreement.

1 (j) If the Department of Water Resources entered into
2 agreements on behalf of the State Department of Public Health or
3 its predecessor, the State Department of Health Services, pursuant
4 to Chapter 4.5 (commencing with Section 116760), the State Water
5 Resources Control Board shall also succeed the Department of
6 Water Resources as a party to those agreements and to all related
7 security instruments, including, but not limited to, fiscal services
8 agreements, deeds of trust, guarantees, letters of credit, and deposit
9 control agreements.

10 (k) (1) The State Water Resources Control Board shall appoint
11 a deputy director who reports to the executive director to oversee
12 the issuance and enforcement of public water system permits and
13 other duties as appropriate. The deputy director shall have public
14 health expertise.

15 (2) The deputy director is delegated the State Water Resources
16 Control Board's authority to provide notice, approve notice
17 content, approve emergency notification plans, and take other
18 action pursuant to Article 5 (commencing with Section 116450),
19 to issue, renew, reissue, revise, amend, or deny any public water
20 system permits pursuant to Article 7 (commencing with Section
21 116525), to suspend or revoke any public water system permit
22 pursuant to Article 8 (commencing with Section 116625), and to
23 issue citations, assess penalties, or issue orders pursuant to Article
24 9 (commencing with Section 116650). Decisions and actions of
25 the deputy director taken pursuant to Article 5 (commencing with
26 Section 116450) or Article 7 (commencing with Section 116525)
27 are deemed decisions and actions taken, but are not subject to
28 reconsideration, by the State Water Resources Control Board.
29 Decisions and actions of the deputy director taken pursuant to
30 Article 8 (commencing with Section 116625) and Article 9
31 (commencing with Section 116650) are deemed decisions and
32 actions taken by the State Water Resources Control Board, but
33 any aggrieved person may petition the State Water Resources
34 Control Board for reconsideration of the decision or action. This
35 subdivision is not a limitation on the State Water Resources Control
36 Board's authority to delegate any other powers and duties.

37 (3) The State Water Resources Control Board shall not delegate
38 any authority, duty, power, purpose, function, or responsibility
39 specified in this section, including, but not limited to, issuance and

1 *enforcement of public water system permits, to the regional water*
2 *quality control boards.*

3 *(l) This section shall become operative on July 1, 2014.*

4 *SEC. 64. Section 116760.10 of the Health and Safety Code is*
5 *amended to read:*

6 116760.10. The Legislature hereby finds and declares all of
7 the following:

8 (a) The department has discovered toxic contaminants and new
9 pathogenic organisms, including cryptosporidium, in many of
10 California's public drinking water systems.

11 (b) Many of the contaminants in California's drinking water
12 supplies are known to cause, or are suspected of causing, cancer,
13 birth defects, and other serious illnesses.

14 (c) It is unlikely that the contamination problems of small public
15 water systems can be solved without financial assistance from the
16 state.

17 (d) The protection of the health, safety, and welfare of the people
18 of California requires that the water supplied for domestic purposes
19 be at all times pure, wholesome, and potable. It is in the interest
20 of the people that the ~~state~~ State of California provide technical
21 and financial assistance to ensure a safe, dependable, and potable
22 supply of water for domestic purposes and that water is available
23 in adequate quantity at sufficient pressure for health, cleanliness,
24 and other domestic purposes.

25 (e) It is the intent of the Legislature to provide for the upgrading
26 of existing public water supply systems to ensure that all domestic
27 water supplies meet safe drinking water standards and other
28 requirements established under Chapter 4 (commencing with
29 Section 116270).

30 (f) (1) The extent of the current risk to public health from
31 contamination in drinking water creates a compelling need to
32 upgrade existing public water systems. The demand for financial
33 assistance to enable public water systems to meet drinking water
34 standards and regulations exceeds funds available from the Safe
35 Drinking Water State Revolving Fund.

36 (2) A project whose primary purpose is to supply or attract
37 growth shall not be eligible to receive assistance from the Safe
38 Drinking Water State Revolving Fund.

39 (3) A project whose primary purpose is to enable a public water
40 system to improve public health protection by complying with

1 drinking water standards and regulations and that also includes
2 components to accommodate a reasonable amount of growth over
3 its useful life shall be eligible for assistance from the Safe Drinking
4 Water State Revolving Fund, but the project shall receive priority
5 based on the component to meet drinking water standards pursuant
6 to Section 116760.70. The department shall expressly consider the
7 effort of the applicant to secure funds other than those available
8 from the Safe Drinking Water State Revolving Fund in establishing
9 the priority listing for funding pursuant to Article 4 (commencing
10 with Section 116760.50).

11 (4) After projects have been prioritized for funding into priority
12 list categories pursuant to the requirements of Section 116760.70,
13 within each category, projects that do not include a component of
14 growth, shall receive priority for funding over projects that have
15 a component to accommodate a reasonable amount of growth.

16 (g) The Legislature further finds and declares that regional
17 solutions to water contamination problems are often more effective,
18 efficient, and economical than solutions designed to address solely
19 the problems of a single small public water system, and it is in the
20 interest of the people of the State of California to encourage the
21 consolidation of the management and the facilities of small water
22 systems to enable those systems to better address their water
23 contamination problems.

24 (h) The protection of drinking water sources is essential to
25 ensuring that the people of California are provided with pure,
26 wholesome, and potable drinking water.

27 (i) That coordination among local, state, and federal public
28 health and environmental management programs be undertaken
29 to ensure that sources of drinking water are protected while
30 avoiding duplication of effort and reducing program costs.

31 (j) It is necessary that a source water protection program be
32 implemented for the purposes of delineating, assessing, and
33 protecting drinking water sources throughout the state and that
34 federal funds be utilized pursuant to the federal Safe Drinking
35 Water Act (42 U.S.C. Sec. 300j et seq.) to carry out that program.

36 (k) It is in the interest of the people of the state to provide funds
37 for a perpetual Safe Drinking Water State Revolving Fund that
38 may be combined with similar federal funding to the extent the
39 funding is authorized pursuant to the federal Safe Drinking Water
40 Act (42 U.S.C. Sec. 300j et seq.).

1 (l) This chapter shall govern implementation of the Safe
2 Drinking Water State Revolving Fund, and shall be implemented
3 in a manner that is consistent with the federal Safe Drinking Water
4 Act, and, to the extent authorized under the federal act, in a manner
5 that is consistent with the California Safe Drinking Water Act,
6 Chapter 4 (commencing with Section 116275).

7 (m) *This section shall become inoperative on July 1, 2014, and,*
8 *as of January 1, 2015, is repealed, unless a later enacted statute,*
9 *that becomes operative on or before January 1, 2015, deletes or*
10 *extends the dates on which it becomes inoperative and is repealed.*

11 SEC. 65. Section 116760.10 is added to the Health and Safety
12 Code, to read:

13 116760.10. (a) *Because the federal Safe Drinking Water Act*
14 *(42 U.S.C. Sec. 300j et seq.) provides for establishment of a*
15 *perpetual drinking water revolving fund, which will be partially*
16 *capitalized by federal contributions, it is in the interest of the*
17 *people of the state, in order to ensure full participation by the state*
18 *under the federal Safe Drinking Water Act, to enact this chapter*
19 *to authorize the state to establish and implement a state drinking*
20 *water revolving fund that will meet federal conditions for receipt*
21 *of federal funds. The primary purpose of this chapter is to enable*
22 *receipt of funds under the federal Safe Drinking Water Act. It is*
23 *the intent of the Legislature that the terms of this chapter shall be*
24 *liberally construed to achieve this purpose.*

25 (b) *Toxic contaminants and new pathogenic organisms,*
26 *including cryptosporidium, have been discovered in many of*
27 *California's public drinking water systems.*

28 (c) *Many of the contaminants in California's drinking water*
29 *supplies are known to cause, or are suspected of causing, cancer,*
30 *birth defects, and other serious illnesses.*

31 (d) *It is unlikely that the contamination problems of small public*
32 *water systems can be solved without financial assistance from the*
33 *state.*

34 (e) *The protection of the health, safety, and welfare of the people*
35 *of California requires that the water supplied for domestic*
36 *purposes be at all times pure, wholesome, and potable. It is in the*
37 *interest of the people that the State of California provide technical*
38 *and financial assistance to ensure a safe, dependable, and potable*
39 *supply of water for domestic purposes and that water is available*

1 *in adequate quantity at sufficient pressure for health, cleanliness,*
2 *and other domestic purposes.*

3 *(f) It is the intent of the Legislature to provide for the upgrading*
4 *of existing public water supply systems to ensure that all domestic*
5 *water supplies meet safe drinking water standards and other*
6 *requirements established under Chapter 4 (commencing with*
7 *Section 116270).*

8 *(g) The extent of the current risk to public health from*
9 *contamination in drinking water creates a compelling need to*
10 *upgrade existing public water systems. The demand for financial*
11 *assistance to enable public water systems to meet drinking water*
12 *standards and regulations exceeds funds available from the Safe*
13 *Drinking Water State Revolving Fund.*

14 *(h) The Legislature further finds and declares that regional*
15 *solutions to water contamination problems are often more effective,*
16 *efficient, and economical than solutions designed to address solely*
17 *the problems of a single small public water system, and it is in the*
18 *interest of the people of the State of California to encourage the*
19 *consolidation of the management and the facilities of small water*
20 *systems to enable those systems to better address their water*
21 *contamination problems.*

22 *(i) The protection of drinking water sources is essential to*
23 *ensuring that the people of California are provided with pure,*
24 *wholesome, and potable drinking water.*

25 *(j) That coordination among local, state, and federal public*
26 *health and environmental management programs be undertaken*
27 *to ensure that sources of drinking water are protected while*
28 *avoiding duplication of effort and reducing program costs.*

29 *(k) It is necessary that a source water protection program be*
30 *implemented for the purposes of delineating, assessing, and*
31 *protecting drinking water sources throughout the state and that*
32 *federal funds be utilized pursuant to the federal Safe Drinking*
33 *Water Act to carry out that program.*

34 *(l) It is in the interest of the people of the state to provide funds*
35 *for a perpetual Safe Drinking Water State Revolving Fund that*
36 *may be combined with similar federal funding to the extent the*
37 *funding is authorized pursuant to the federal Safe Drinking Water*
38 *Act.*

39 *(m) This chapter shall govern implementation of the Safe*
40 *Drinking Water State Revolving Fund, and shall be implemented*

1 *in a manner that is consistent with the federal Safe Drinking Water*
2 *Act, and, to the extent authorized under the federal act, in a manner*
3 *that is consistent with the California Safe Drinking Water Act,*
4 *Chapter 4 (commencing with Section 116270).*

5 *(n) This section shall become operative on July 1, 2014.*

6 SEC. 66. *Section 116760.20 of the Health and Safety Code is*
7 *amended to read:*

8 116760.20. (a) Unless the context otherwise requires, the
9 following definitions govern the construction of this chapter:

10 ~~(a)~~

11 (1) "Acceptable result" means the project that, when constructed,
12 solves the problem for which the project was placed on the project
13 priority list established pursuant to Section 116760.70, ensures the
14 owner and operator of the improved or restructured public water
15 system shall have long-term technical, managerial, and financial
16 capacity to operate and maintain the public water system in
17 compliance with state and federal safe drinking water standards,
18 can provide a dependable source of safe drinking water long-term,
19 and is both short-term and long-term affordable, as determined by
20 applicable regulations adopted by the department.

21 ~~(b)~~

22 (2) "Cost-effective project" means a project that achieves an
23 acceptable result at the most reasonable cost.

24 ~~(c)~~

25 (3) "Department" means the State Department of Public Health.

26 ~~(d)~~

27 (4) "Disadvantaged community" means a community that meets
28 the definition provided in Section 116275.

29 ~~(e)~~

30 (5) "Federal Safe Drinking Water Act" or "federal act" means
31 the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)
32 and acts amendatory thereof or supplemental thereto.

33 ~~(f)~~

34 (6) "Fund" means the Safe Drinking Water State Revolving
35 Fund created by Section 116760.30.

36 ~~(g)~~

37 (7) "Funding" means a loan or grant, or both, awarded under
38 this chapter.

39 ~~(h)~~

1 (8) “Matching funds” means state money that equals that
2 percentage of federal contributions required by the federal act to
3 be matched with state funds.

4 ~~(i)~~

5 (9) “Project” means proposed facilities for the construction,
6 improvement, or rehabilitation of a public water system, and may
7 include all items set forth in Section 116761 as necessary to carry
8 out the purposes of this chapter. It also may include refinancing
9 loans, annexation or consolidation of water systems, source water
10 assessments, source water protection, and other activities specified
11 under the federal act.

12 ~~(j)~~

13 (10) “Public agency” means any city, county, city and county,
14 whether general law or chartered, district, joint powers authority,
15 or other political subdivision of the state, that owns or operates a
16 public water system.

17 ~~(k)~~

18 (11) “Public water system” or “public water supply system”
19 means a system for the provision to the public of water for human
20 consumption, as defined in Chapter 4 (commencing with Section
21 116270), as it may be amended from time to time.

22 ~~(l)~~

23 (12) “Reasonable amount of growth” means an increase in
24 growth not to exceed 10 percent of the design capacity needed,
25 based on peak flow, to serve the water and fire flow demand in
26 existence at the time plans and specifications for the project are
27 approved by the department, over the 20-year useful life of a
28 project. For projects other than the construction of treatment plants
29 including, but not limited to, storage facilities, pipes, pumps, and
30 similar equipment, where the 10-percent allowable growth cannot
31 be adhered to due to the sizes of equipment or materials available,
32 the project shall be limited to the next available larger size.

33 ~~(m)~~

34 (13) “Safe drinking water standards” means those standards
35 established pursuant to Chapter 4 (commencing with Section
36 116270), as they may now or hereafter be amended.

37 ~~(n)~~

38 (14) “Severely disadvantaged community” means a community
39 with a median household income of less than 60 percent of the
40 statewide average.

1 ~~(15)~~

2 (15) “Supplier” means any person, partnership, corporation,
3 association, public agency, or other entity that owns or operates a
4 public water system.

5 (b) *This section shall become inoperative on July 1, 2014, and,*
6 *as of January 1, 2015, is repealed, unless a later enacted statute,*
7 *that becomes operative on or before January 1, 2015, deletes or*
8 *extends the dates on which it becomes inoperative and is repealed.*

9 SEC. 67. Section 116760.20 is added to the Health and Safety
10 Code, to read:

11 116760.20. (a) Unless the context otherwise requires, the
12 following definitions govern the construction of this chapter:

13 (1) “Acceptable result” means the project that, when
14 constructed, solves the problem for which the project was placed
15 on the project priority list established pursuant to Section
16 116760.70, ensures the owner and operator of the improved or
17 restructured public water system shall have long-term technical,
18 managerial, and financial capacity to operate and maintain the
19 public water system in compliance with state and federal safe
20 drinking water standards, can provide a dependable source of safe
21 drinking water long-term, and is both short-term and long-term
22 affordable, as determined by applicable regulations adopted by
23 the board.

24 (2) “Board” means the State Water Resources Control Board.

25 (3) “Cost-effective project” means a project that achieves an
26 acceptable result at the most reasonable cost.

27 (4) “Disadvantaged community” means a community that meets
28 the definition provided in Section 116275.

29 (5) “Federal Safe Drinking Water Act” or “federal act” means
30 the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)
31 and acts amendatory thereof or supplemental thereto.

32 (6) “Fund” means the Safe Drinking Water State Revolving
33 Fund created by Section 116760.30.

34 (7) “Funding” means a loan or grant, or both, awarded under
35 this chapter.

36 (8) “Matching funds” means state money that equals that
37 percentage of federal contributions required by the federal act to
38 be matched with state funds.

39 (9) “Project” means proposed facilities for the construction,
40 improvement, or rehabilitation of a public water system, and may

1 include all items set forth in Section 116761 as necessary to carry
2 out the purposes of this chapter. It also may include refinancing
3 loans, annexation or consolidation of water systems, source water
4 assessments, source water protection, and other activities specified
5 under the federal act.

6 (10) “Public agency” means any city, county, city and county,
7 whether general law or chartered, district, joint powers authority,
8 or other political subdivision of the state, that owns or operates a
9 public water system.

10 (11) “Public water system” or “public water supply system”
11 means a system for the provision to the public of water for human
12 consumption, as defined in Chapter 4 (commencing with Section
13 116270), as it may be amended from time to time.

14 (12) “Reasonable amount of growth” means an increase in
15 growth not to exceed 10 percent of the design capacity needed,
16 based on peak flow, to serve the water and fire flow demand in
17 existence at the time plans and specifications for the project are
18 approved by the board, over the 20-year useful life of a project.
19 For projects other than the construction of treatment plants
20 including, but not limited to, storage facilities, pipes, pumps, and
21 similar equipment, where the 10-percent allowable growth cannot
22 be adhered to due to the sizes of equipment or materials available,
23 the project shall be limited to the next available larger size.

24 (13) “Safe drinking water standards” means those standards
25 established pursuant to Chapter 4 (commencing with Section
26 116270), as they may now or hereafter be amended.

27 (14) “Severely disadvantaged community” means a community
28 with a median household income of less than 60 percent of the
29 statewide average.

30 (15) “Small community water system” has the meaning set forth
31 in Section 116275.

32 (16) “Supplier” means any person, partnership, corporation,
33 association, public agency, or other entity that owns or operates
34 a public water system.

35 (b) This section shall become operative on July 1, 2014, and is
36 repealed as of January 1 of the next calendar year occurring after
37 the board provides notice to the Legislature and the Secretary of
38 State and posts notice on its Internet Web site that the board has
39 adopted a policy handbook pursuant to Section 116760.43.

1 SEC. 68. Section 116760.20 is added to the Health and Safety
2 Code, to read:

3 116760.20. (a) Unless the context otherwise requires, the
4 following definitions govern the construction of this chapter:

5 (1) "Acceptable result" means the project that, when
6 constructed, solves the problem for which the project was placed
7 on the project priority list, ensures the owner and operator of the
8 improved or restructured public water system shall have long-term
9 technical, managerial, and financial capacity to operate and
10 maintain the public water system in compliance with state and
11 federal safe drinking water standards, can provide a dependable
12 source of safe drinking water long-term, and is both short-term
13 and long-term affordable, as determined by the board.

14 (2) "Board" means the State Water Resources Control Board.

15 (3) "Cost-effective" means achieves an acceptable result at the
16 most reasonable cost.

17 (4) "Disadvantaged community" means a community that meets
18 the definition provided in Section 116275.

19 (5) "Federal Safe Drinking Water Act" or "federal act" means
20 the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)
21 and acts amendatory thereof or supplemental thereto.

22 (6) "Fund" means the Safe Drinking Water State Revolving
23 Fund created by Section 116760.30.

24 (7) "Financing" means financial assistance awarded under this
25 chapter, including loans, refinancing, installment sales agreements,
26 purchase of debt, loan guarantees for municipal revolving funds,
27 and grants.

28 (8) "Matching funds" means state money that equals that
29 percentage of federal contributions required by the federal act to
30 be matched with state funds.

31 (9) "Project" means cost-effective facilities for the construction,
32 improvement, or rehabilitation of a public water system. It also
33 may include the planning and design of the facilities, annexation
34 or consolidation of water systems, source water assessments,
35 source water protection, and other activities specified under the
36 federal act.

37 (10) "Public agency" means any city, county, city and county,
38 whether general law or chartered, district, joint powers authority,
39 or other political subdivision of the state, that owns or operates a
40 public water system.

1 (11) “Public water system” or “public water supply system”
2 means a system for the provision to the public of water for human
3 consumption, as defined in Chapter 4 (commencing with Section
4 116270).

5 (12) “Safe drinking water standards” means those standards
6 established pursuant to Chapter 4 (commencing with Section
7 116270), as they may now or hereafter be amended.

8 (13) “Severely disadvantaged community” means a community
9 with a median household income of less than 60 percent of the
10 statewide average.

11 (14) “Small community water system” has the meaning set forth
12 in Section 116275.

13 (15) “Supplier” means any person, partnership, corporation,
14 association, public agency, or other entity that owns or operates
15 a public water system.

16 (b) This section shall become operative on January 1 of the next
17 calendar year occurring after the board provides notice to the
18 Legislature and the Secretary of State and posts notice on its
19 Internet Web site that the board has adopted a policy handbook
20 pursuant to Section 116760.43.

21 SEC. 69. Section 116760.30 of the Health and Safety Code is
22 amended to read:

23 116760.30. (a) There is hereby created in the State Treasury
24 the Safe Drinking Water State Revolving Fund for the purpose of
25 implementing this chapter, and, notwithstanding Section 13340 of
26 the Government Code, the fund is hereby continuously
27 appropriated, without regard to fiscal years, to the department to
28 provide, from moneys available for this purpose, grants or
29 revolving fund loans for the design and construction of projects
30 for public water systems that will enable suppliers to meet safe
31 drinking water standards. The department shall be responsible for
32 administering the fund.

33 (b) Notwithstanding Section 10231.5 of the Government Code,
34 the department shall report at least once every two years to the
35 policy and budget committees of the Legislature on the
36 implementation of this chapter and expenditures from the fund.
37 The report shall describe the numbers and types of projects funded,
38 the reduction in risks to public health from contaminants in
39 drinking water provided through the funding of the projects, and
40 the criteria used by the department to determine funding priorities.

Commencing with reports submitted on or after January 1, 2013, the report shall include the results of the United States Environmental Protection Agency's most recent survey of the infrastructure needs of California's public water systems, the amount of money available through the fund to finance those needs, the total dollar amount of all funding agreements executed pursuant to this chapter since the date of the previous report, the fund utilization rate, the amount of unliquidated obligations, and the total dollar amount paid to funding recipients since the previous report.

(c) Notwithstanding any other law, the Controller may use the moneys in the Safe Drinking Water State Revolving Fund for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. However, interest shall be paid on all moneys loaned to the General Fund from the Safe Drinking Water State Revolving Fund. Interest payable shall be computed at a rate determined by the Pooled Money Investment Board to be the current earning rate of the fund from which loaned. This subdivision does not authorize any transfer that will interfere with the carrying out of the object for which the Safe Drinking Water State Revolving Fund was created.

(d) This section shall become inoperative on July 1, 2014, and, as of January 1, 2015, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2015, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 70. Section 116760.30 is added to the Health and Safety Code, to read:

116760.30. (a) There is hereby created in the State Treasury the Safe Drinking Water State Revolving Fund for the purpose of implementing this chapter, and, notwithstanding Section 13340 of the Government Code, moneys in the fund are hereby continuously appropriated, without regard to fiscal years, to the board for expenditure in accordance with this chapter.

(b) Notwithstanding Section 10231.5 of the Government Code, the board shall, at least once every two years, post information on its Internet Web site and send a link of the Internet Web site to the policy and budget committees of the Legislature regarding the implementation of this chapter and expenditures from the fund. The information posted on the board's Internet Web site shall describe the numbers and types of projects funded, the reduction

1 *in risks to public health from contaminants in drinking water*
2 *provided through the funding of the projects, and the criteria used*
3 *by the board to determine funding priorities. The Internet Web site*
4 *posting shall include the results of the United States Environmental*
5 *Protection Agency's most recent survey of the infrastructure needs*
6 *of California's public water systems, the amount of money*
7 *available through the fund to finance those needs, the total dollar*
8 *amount of all funding agreements executed pursuant to this chapter*
9 *since the date of the previous report or Internet Web site post, the*
10 *fund utilization rate, the amount of unliquidated obligations, and*
11 *the total dollar amount paid to funding recipients since the previous*
12 *report or Internet Web site post.*

13 *(c) This section shall become operative on July 1, 2014.*

14 *SEC. 71. Section 116760.39 of the Health and Safety Code is*
15 *amended to read:*

16 *116760.39. (a) In addition to the actions described in Section*
17 *116760.40, the department may, to implement the Safe Drinking*
18 *Water State Revolving Fund, improve access to financial assistance*
19 *for small community water systems and not-for-profit nontransient*
20 *noncommunity water systems serving severely disadvantaged*
21 *communities by doing both of the following:*

22 *(a)*

23 *(1) Working to establish a payment process pursuant to which*
24 *the recipient of financial assistance would receive funds within 30*
25 *days of the date on which the department receives a complete*
26 *project payment request, unless the department, within that 30-day*
27 *period, determines that the project payment would not be in*
28 *accordance with the terms of the program guidelines.*

29 *(b)*

30 *(2) Investigating the use of wire transfers or other appropriate*
31 *payment procedures to expedite project payments.*

32 *(b) This section shall become inoperative on July 1, 2014, and,*
33 *as of January 1, 2015, is repealed, unless a later enacted statute,*
34 *that becomes operative on or before January 1, 2015, deletes or*
35 *extends the dates on which it becomes inoperative and is repealed.*

36 *SEC. 72. Section 116760.39 is added to the Health and Safety*
37 *Code, to read:*

38 *116760.39. (a) In addition to the actions described in Section*
39 *116760.40, the board may, to implement the Safe Drinking Water*
40 *State Revolving Fund, improve access to financial assistance for*

1 *small community water systems and not-for-profit nontransient*
2 *noncommunity water systems serving severely disadvantaged*
3 *communities by doing both of the following:*

4 *(1) Working to establish a payment process pursuant to which*
5 *the recipient of financial assistance would receive funds within 30*
6 *days of the date on which the board receives a complete project*
7 *payment request, unless the board, within that 30-day period,*
8 *determines that the project payment would not be in accordance*
9 *with the terms of the program guidelines.*

10 *(2) Investigating the use of wire transfers or other appropriate*
11 *payment procedures to expedite project payments.*

12 *(b) This section shall become operative on July 1, 2014.*

13 *SEC. 73. Section 116760.40 of the Health and Safety Code is*
14 *amended to read:*

15 116760.40. (a) The department may undertake any of the
16 following actions to implement the Safe Drinking Water State
17 Revolving Fund:

18 ~~(a)~~

19 (1) Enter into agreements with the federal government for
20 federal contributions to the fund.

21 ~~(b)~~

22 (2) Accept federal contributions to the fund.

23 ~~(c)~~

24 (3) Use moneys in the fund for the purposes permitted by the
25 federal act.

26 ~~(d)~~

27 (4) Provide for the deposit of matching funds and other available
28 and necessary moneys into the fund.

29 ~~(e)~~

30 (5) Make requests, on behalf of the state, for deposit into the
31 fund of available federal moneys under the federal act.

32 ~~(f)~~

33 (6) Determine, on behalf of the state, that public water systems
34 that receive financial assistance from the fund will meet the
35 requirements of, and otherwise be treated as required by, the federal
36 act.

37 ~~(g)~~

38 (7) Provide for appropriate audit, accounting, and fiscal
39 management services, plans, and reports relative to the fund.

40 ~~(h)~~

1 (8) Take additional incidental action as may be appropriate for
2 adequate administration and operation of the fund.

3 ~~(i)~~

4 (9) Enter into an agreement with, and accept matching funds
5 from, a public water system. A public water system that seeks to
6 enter into an agreement with the department and provide matching
7 funds pursuant to this subdivision shall provide to the department
8 evidence of the availability of those funds in the form of a written
9 resolution, or equivalent document, from the public water system
10 before it requests a preliminary loan commitment.

11 ~~(j)~~

12 (10) Charge public water systems that elect to provide matching
13 funds a fee to cover the actual cost of obtaining the federal funds
14 pursuant to Section 1452(e) of the federal act (42 U.S.C. Sec.
15 300j-12) and to process the loan application. The fee shall be
16 waived by the department if sufficient funds to cover those costs
17 are available from other sources.

18 ~~(k)~~

19 (11) Use money returned to the fund under Section 116761.85
20 and any other source of matching funds, if not prohibited by statute,
21 as matching funds for the federal administrative allowance under
22 Section 1452(g) of the federal act (42 U.S.C. Sec. 300j-12).

23 ~~(l)~~

24 (12) Establish separate accounts or subaccounts as required or
25 allowed in the federal act and related guidance, for funds to be
26 used for administration of the fund and other purposes. Within the
27 fund the department shall establish the following accounts,
28 including, but not limited to:

29 ~~(1)~~

30 (A) A fund administration account for state expenses related to
31 administration of the fund pursuant to Section 1452(g)(2) of the
32 federal act.

33 ~~(2)~~

34 (B) A water system reliability account for department expenses
35 pursuant to Section 1452(g)(2)(A), (B), (C), or (D) of the federal
36 act.

37 ~~(3)~~

38 (C) A source protection account for state expenses pursuant to
39 Section 1452(k) of the federal act.

40 ~~(4)~~

1 (D) A small system technical assistance account for department
2 expenses pursuant to Section 1452(g)(2) of the federal act.

3 ~~(5)~~

4 (E) A state revolving loan account pursuant to Section
5 1452(a)(2) of the federal act.

6 ~~(6)~~

7 (F) A wellhead protection account established pursuant to
8 Section 1452(a)(2) of the federal act.

9 ~~(m)~~

10 (13) Deposit federal funds for administration and other purposes
11 into separate accounts or subaccounts as allowed by the federal
12 act.

13 ~~(n)~~

14 (14) Determine, on behalf of the state, whether sufficient
15 progress is being made toward compliance with the enforceable
16 deadlines, goals, and requirements of the federal act and the
17 California Safe Drinking Water Act, Chapter 4 (commencing with
18 Section 116270).

19 ~~(o)~~

20 (15) To the extent permitted under federal law, including, but
21 not limited to, Section 1452(a)(2) and (f)(4) of the federal Safe
22 Drinking Water Act (42 U.S.C. Sec. 300j-12(a)(2) and (f)(4)), use
23 any and all amounts deposited in the fund, including, but not
24 limited to, loan repayments and interest earned on the loans, as a
25 source of reserve and security for the payment of principal and
26 interest on revenue bonds, the proceeds of which are deposited in
27 the fund.

28 ~~(p)~~

29 (16) Request the Infrastructure and Economic Development
30 Bank (I-Bank), established under Chapter 2 (commencing with
31 Section 63021) of Division 1 of Title 6.7 of the Government Code,
32 to issue revenue bonds, enter into agreements with the I-Bank, and
33 take all other actions necessary or convenient for the issuance and
34 sale of revenue bonds pursuant to Article 6.3 (commencing with
35 Section 63048.55) of Chapter 2 of Division 1 of Title 6.7 of the
36 Government Code. The purpose of the bonds is to augment the
37 fund.

38 (b) *This section shall become inoperative on July 1, 2014, and,*
39 *as of January 1, 2015, is repealed, unless a later enacted statute,*

1 *that becomes operative on or before January 1, 2015, deletes or*
2 *extends the dates on which it becomes inoperative and is repealed.*

3 *SEC. 74. Section 116760.40 is added to the Health and Safety*
4 *Code, to read:*

5 *116760.40. (a) The board may undertake any of the following*
6 *actions to implement the Safe Drinking Water State Revolving*
7 *Fund:*

8 *(1) Enter into agreements with the federal government for*
9 *federal contributions to the fund.*

10 *(2) Accept federal contributions to the fund.*

11 *(3) Use moneys in the fund for the purposes permitted by the*
12 *federal act.*

13 *(4) Provide for the deposit of matching funds and other available*
14 *and necessary moneys into the fund.*

15 *(5) Make requests, on behalf of the state, for deposit into the*
16 *fund of available federal moneys under the federal act.*

17 *(6) Determine, on behalf of the state, that public water systems*
18 *that receive financial assistance from the fund will meet the*
19 *requirements of, and otherwise be treated as required by, the*
20 *federal act.*

21 *(7) Provide for appropriate audit, accounting, and fiscal*
22 *management services, plans, and reports relative to the fund.*

23 *(8) Take additional incidental action as may be appropriate for*
24 *adequate administration and operation of the fund.*

25 *(9) Enter into an agreement with, and accept matching funds*
26 *from, a public water system.*

27 *(10) Charge public water systems that elect to provide matching*
28 *funds a fee to cover the actual cost of obtaining the federal funds*
29 *pursuant to Section 1452(e) of the federal act (42 U.S.C. Sec.*
30 *300j-12) and to process the loan application. The fee shall be*
31 *waived by the board if sufficient funds to cover those costs are*
32 *available from other sources.*

33 *(11) Use any source of matching funds, if not prohibited by*
34 *statute, as matching funds for the federal administrative allowance*
35 *under Section 1452(g) of the federal act (42 U.S.C. Sec. 300j-12).*

36 *(12) Establish separate accounts or subaccounts as required*
37 *or allowed in the federal act and related guidance, for funds to be*
38 *used for administration of the fund and other purposes. Within the*
39 *fund, the board may modify existing accounts and may establish*

1 *other accounts as the board deems appropriate or necessary for*
2 *proper administration of the chapter.*

3 *(13) Deposit federal funds for administration and other purposes*
4 *into separate accounts or subaccounts, as allowed by the federal*
5 *act.*

6 *(14) Determine, on behalf of the state, whether sufficient*
7 *progress is being made toward compliance with the enforceable*
8 *deadlines, goals, and requirements of the federal act and the*
9 *California Safe Drinking Water Act, Chapter 4 (commencing with*
10 *Section 116270).*

11 *(15) To the extent permitted under federal law, including, but*
12 *not limited to, Section 1452(a)(2) and (f)(4) of the federal Safe*
13 *Drinking Water Act (42 U.S.C. Sec. 300j-12(a)(2) and (f)(4)), use*
14 *any and all amounts deposited in the fund, including, but not*
15 *limited to, loan repayments and interest earned on the loans, as a*
16 *source of reserve and security for the payment of principal and*
17 *interest on revenue bonds, the proceeds of which are deposited in*
18 *the fund.*

19 *(16) Request the Infrastructure and Economic Development*
20 *Bank (I-Bank), established under Chapter 2 (commencing with*
21 *Section 63021) of Division 1 of Title 6.7 of the Government Code,*
22 *to issue revenue bonds, enter into agreements with the I-Bank, and*
23 *take all other actions necessary or convenient for the issuance and*
24 *sale of revenue bonds pursuant to Article 6.3 (commencing with*
25 *Section 63048.55) of Chapter 2 of Division 1 of Title 6.7 of the*
26 *Government Code. The purpose of the bonds is to augment the*
27 *fund.*

28 *(17) Engage in the transfer of capitalization grant funds, as*
29 *authorized by Section 35.3530(c) of Title 40 of the Code of Federal*
30 *Regulations and reauthorized by Public Law 109-54, to the extent*
31 *set forth in an Intended Use Plan, that shall be subject to approval*
32 *by the board.*

33 *(18) Cross-collateralize revenue bonds with the State Water*
34 *Pollution Control Revolving Fund created pursuant to Section*
35 *13477 of the Water Code, as authorized by Section 35.3530(d) of*
36 *Title 40 of the Code of Federal Regulations.*

37 *(b) This section shall become operative on July 1, 2014.*

38 *SEC. 75. Section 116760.42 of the Health and Safety Code is*
39 *amended to read:*

1 116760.42. (a) The department may enter into an agreement
2 with the federal government for federal contributions to the fund
3 only if both of the following apply:

4 (1) The state has obtained or appropriated any required state
5 matching funds.

6 (2) The department is prepared to commit to expenditure of any
7 minimum amount in the fund in the manner required by the federal
8 act.

9 (b) ~~Any~~ An agreement between the department and the federal
10 government shall contain those provisions, terms, and conditions
11 required by the federal act, and any implementing federal rules,
12 regulations, guidelines, and policies, including, but not limited to,
13 agreement to the following:

14 (1) Moneys in the fund shall be expended in an expeditious and
15 timely manner.

16 (2) All moneys in the fund as a result of federal capitalization
17 grants shall be expended to ensure sufficient progress is being
18 made toward compliance with the enforceable deadlines, goals,
19 and requirements of the federal act, including any applicable
20 compliance deadlines.

21 (3) Federal funds deposited in the special accounts are
22 continuously appropriated for use by the department as allowed
23 by federal law. ~~Any unexpended~~ *Unexpended* funds in the special
24 accounts shall be carried over into subsequent years for use by the
25 department.

26 (c) *This section shall become inoperative on July 1, 2014, and,*
27 *as of January 1, 2015, is repealed, unless a later enacted statute,*
28 *that becomes operative on or before January 1, 2015, deletes or*
29 *extends the dates on which it becomes inoperative and is repealed.*

30 SEC. 76. Section 116760.42 is added to the Health and Safety
31 Code, to read:

32 116760.42. (a) *The board may enter into an agreement with*
33 *the federal government for federal contributions to the fund only*
34 *if the board is prepared to commit to expenditure of any minimum*
35 *amount in the fund in the manner required by the federal act.*

36 (b) *An agreement between the board and the federal government*
37 *shall contain those provisions, terms, and conditions required by*
38 *the federal act, and implementing federal rules, regulations,*
39 *guidelines, and policies, including, but not limited to, agreement*
40 *to the following:*

1 (1) *Moneys in the fund shall be expended in an expeditious and*
2 *timely manner.*

3 (2) *All moneys in the fund as a result of federal capitalization*
4 *grants shall be expended to ensure sufficient progress is being*
5 *made toward compliance with the enforceable deadlines, goals,*
6 *and requirements of the federal act, including any applicable*
7 *compliance deadlines.*

8 (3) *Federal funds deposited in the special accounts are*
9 *continuously appropriated for use by the board as allowed by*
10 *federal law. Unexpended funds in the special accounts shall be*
11 *carried over into subsequent years for use by the board.*

12 (4) *This section shall become operative on July 1, 2014.*

13 SEC. 77. *Section 116760.43 of the Health and Safety Code is*
14 *amended to read:*

15 116760.43. (a) *The department may adopt emergency*
16 *regulations pursuant to Chapter 3.5 (commencing with Section*
17 *11340) of Part 1 of Division 3 of Title 2 of the Government Code*
18 *necessary or convenient to implement this chapter and to meet*
19 *requirements pursuant to the federal act.*

20 (b) *The adoption of any emergency regulations that are filed*
21 *with the Office of Administrative Law within 18 months of the*
22 *effective date of this act shall be deemed to be an emergency and*
23 *necessary for the immediate preservation of the public peace, health*
24 *and safety, or general welfare.*

25 (c) *This section shall become inoperative on July 1, 2014, and,*
26 *as of January 1, 2015, is repealed, unless a later enacted statute,*
27 *that becomes operative on or before January 1, 2015, deletes or*
28 *extends the dates on which it becomes inoperative and is repealed.*

29 SEC. 78. *Section 116760.43 is added to the Health and Safety*
30 *Code, to read:*

31 116760.43. (a) *The board shall implement this chapter*
32 *pursuant to the adoption of a policy handbook that is not subject*
33 *to the requirements of Chapter 3.5 (commencing with Section*
34 *11340) of Part 1 of Division 3 of the Government Code. The policy*
35 *handbook shall be posted on the board's Internet Web site.*

36 (b) *Any regulations that have been promulgated pursuant to*
37 *this chapter are repealed effective upon adoption by the board of*
38 *the policy handbook.*

39 (c) *This section shall become operative on July 1, 2014.*

1 *SEC. 79. Section 116760.44 of the Health and Safety Code is*
2 *amended to read:*

3 116760.44. (a) The department may deposit administrative
4 fees and charges paid by public water systems and other available
5 and necessary money into the administrative account of the fund.

6 (b) *This section shall become inoperative on July 1, 2014, and,*
7 *as of January 1, 2015, is repealed, unless a later enacted statute,*
8 *that becomes operative on or before January 1, 2015, deletes or*
9 *extends the dates on which it becomes inoperative and is repealed.*

10 *SEC. 80. Section 116760.44 is added to the Health and Safety*
11 *Code, to read:*

12 116760.44. (a) *The board may deposit administrative fees and*
13 *charges paid by public water systems and other available and*
14 *necessary money into an account of the fund.*

15 (b) *This section shall become operative on July 1, 2014.*

16 *SEC. 81. Section 116760.46 of the Health and Safety Code is*
17 *amended to read:*

18 116760.46. (a) The Safe Drinking Water Small Community
19 Emergency Grant Fund is hereby created in the State Treasury.

20 (b) The following moneys shall be deposited in the grant fund:

21 (1) Moneys transferred to the grant fund pursuant to subdivision
22 (c).

23 (2) Notwithstanding Section 16475 of the Government Code,
24 any interest earned upon the moneys deposited in the grant fund.

25 (c) (1) For any loans made for projects meeting the eligibility
26 criteria under Section 116760.50, the department may assess an
27 annual charge to be deposited in the grant fund in lieu of interest
28 that would otherwise be charged.

29 (2) Any amounts collected under this subdivision shall be
30 deposited in the grant fund. Not more than fifty million dollars
31 (\$50,000,000) shall be deposited in the grant fund.

32 (3) The charge authorized by this subdivision may be applied
33 at any time during the term of the financing and, once applied,
34 shall remain unchanged.

35 (4) The charge authorized by this subdivision shall not increase
36 the financing repayment amount, as set forth in the terms and
37 conditions imposed pursuant to this chapter.

38 (d) (1) Moneys in the grant fund may be expended on grants
39 for projects that meet the requirements stated in Section 116475

1 and that serve disadvantaged and severely disadvantaged
2 communities.

3 (2) For the purpose of approving grants, the department shall
4 give priority to projects that serve severely disadvantaged
5 communities.

6 (3) Funds expended pursuant to this section shall be expended
7 in a manner consistent with the federal EPA grant regulations
8 established in Section 35.3530(b)(2) of Title 40 of the Code of
9 Federal Regulations.

10 *(e) This section shall become inoperative on July 1, 2014, and,*
11 *as of January 1, 2015, is repealed, unless a later enacted statute,*
12 *that becomes operative on or before January 1, 2015, deletes or*
13 *extends the dates on which it becomes inoperative and is repealed.*

14 *SEC. 82. Section 116760.46 is added to the Health and Safety*
15 *Code, to read:*

16 *116760.46. (a) The Safe Drinking Water Small Community*
17 *Emergency Grant Fund is hereby created in the State Treasury.*

18 *(b) The following moneys shall be deposited in the grant fund:*

19 *(1) Moneys transferred to the grant fund pursuant to subdivision*
20 *(c).*

21 *(2) Notwithstanding Section 16475 of the Government Code,*
22 *any interest earned upon the moneys deposited in the grant fund.*

23 *(c) (1) For any financing made pursuant to this chapter, the*
24 *board may assess an annual charge to be deposited in the grant*
25 *fund in lieu of interest that would otherwise be charged.*

26 *(2) Any amounts collected under this subdivision shall be*
27 *deposited in the grant fund.*

28 *(3) The charge authorized by this subdivision may be applied*
29 *at any time during the term of the financing and, once applied,*
30 *shall remain unchanged, unless the board determines that the*
31 *application of the charge is any of the following:*

32 *(A) No longer consistent with federal requirements regarding*
33 *the fund.*

34 *(B) No longer necessary.*

35 *(C) Negatively affecting the board's ability to fund projects that*
36 *support the board's goals as specified in this chapter.*

37 *(4) If the board ceases collecting the charge before the financing*
38 *repayment is complete, the board shall replace the charge with*
39 *an identical interest rate.*

1 (5) *The charge authorized by this subdivision shall not increase*
2 *the financing repayment amount, as set forth in the terms and*
3 *conditions imposed pursuant to this chapter.*

4 (d) (1) *Moneys in the grant fund may be expended on grants*
5 *for projects that meet the requirements of this chapter and that*
6 *serve disadvantaged and severely disadvantaged communities or*
7 *address emergencies experienced by small community water*
8 *systems.*

9 (2) *For the purpose of approving grants, the board shall give*
10 *priority to projects that serve severely disadvantaged communities.*

11 (3) *Funds expended pursuant to this section shall be expended*
12 *in a manner consistent with the federal EPA capitalization grant*
13 *requirements established in Section 35.3530(b)(2) of Title 40 of*
14 *the Code of Federal Regulations.*

15 (e) *This section shall become operative on July 1, 2014.*

16 SEC. 83. *Section 116760.50 of the Health and Safety Code is*
17 *amended to read:*

18 116760.50. (a) *The department shall establish criteria that*
19 *shall be met for projects to be eligible for consideration for funding*
20 *under this chapter. The criteria shall include all of the following:*

21 ~~(a)~~

22 (1) *All preliminary design work for a defined project that will*
23 *enable the applicant to supply water that meets safe drinking water*
24 *standards, including a cost estimate for the project, shall be*
25 *completed.*

26 ~~(b)~~

27 (2) *A legal entity shall exist that has the authority to enter into*
28 *contracts and incur debt on behalf of the community to be served*
29 *and owns the public water system or has the right to operate the*
30 *public water system under a lease with a term of at least 20 years,*
31 *unless otherwise authorized by the department. If the proposed*
32 *project is funded by a loan under this chapter, the department may*
33 *require the applicant to secure a lease for the full term of the loan*
34 *if the loan exceeds 20 years.*

35 ~~(c)~~

36 (3) *The applicant shall hold all necessary water rights.*

37 ~~(d)~~

38 (4) *The applicant shall have completed any review required*
39 *pursuant to the California Environmental Quality Act (Division*
40 13 *(commencing with Section 21000) of the Public Resources*

Code) and the guidelines adopted pursuant thereto, and have included plans for compliance with that act in its preliminary plans for the project.

(e)

(5) The applicant has assembled sufficient financial data to establish its ability to complete the proposed project and to establish the amount of debt financing it can undertake.

(b) This section shall become inoperative on July 1, 2014, and, as of January 1, 2015, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2015, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 84. Section 116760.50 is added to the Health and Safety Code, to read:

116760.50. (a) The board shall establish eligibility criteria for funding pursuant to this chapter that includes all of the following:

(1) All preliminary design work for a defined project that will enable the applicant to supply water that meets safe drinking water standards, including a cost estimate for the project, shall be completed.

(2) A legal entity shall exist that has the authority to enter into contracts and incur debt on behalf of the community to be served and owns the public water system or has the right to operate the public water system for at least the term of the financing agreement.

(3) The applicant shall hold all necessary water rights.

(4) The applicant shall have completed any review required pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) and the guidelines adopted pursuant thereto, and have included plans for compliance with that act in its preliminary plans for the project.

(5) The applicant shall have assembled sufficient financial data to establish its ability to complete the proposed project and to establish the amount of debt financing it can undertake.

(b) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

1 SEC. 85. Section 116760.50 is added to the Health and Safety
2 Code, to read:

3 116760.50. (a) The board shall establish eligibility criteria
4 for project financing pursuant to this chapter that shall be
5 consistent with federal requirements.

6 (b) This section shall become operative on January 1 of the next
7 calendar year occurring after the board provides notice to the
8 Legislature and the Secretary of State and posts notice on its
9 Internet Web site that the board has adopted a policy handbook
10 pursuant to Section 116760.43.

11 SEC. 86. Section 116760.55 of the Health and Safety Code is
12 amended to read:

13 116760.55. (a) For purposes of the department considering
14 eligibility for grant funding for a planning project, a legal entity
15 may apply on behalf of one or more public water systems serving
16 disadvantaged or severely disadvantaged communities if all of the
17 following requirements are met:

18 (1) The legal entity has a signed agreement with each public
19 water system for which it is applying for funding for a planning
20 and ~~feasibility~~ feasibility study project that indicates that the public
21 water system agrees to the joint application and that the legal entity
22 is acting on behalf of, and in place of, the public water system.

23 (2) The application is for 100 percent grant funding for a
24 planning and ~~feasibility~~ feasibility project.

25 (3) The planning and feasibility study project includes a study
26 of the feasibility of consolidation, which may include expansion
27 of service to communities not currently served by a public water
28 system.

29 (4) The applicant has demonstrated that the legal entity has the
30 ability to complete the proposed planning project.

31 (5) At least one of the project participating public water systems
32 has a primary drinking water standard violation and is on the
33 project priority list.

34 (b) For purposes of this section, “legal entity” means an entity
35 that is duly formed and operating under the laws of this state.

36 (c) This section shall become inoperative on July 1, 2014, and,
37 as of January 1, 2015, is repealed, unless a later enacted statute,
38 that becomes operative on or before January 1, 2015, deletes or
39 extends the dates on which it becomes inoperative and is repealed.

1 *SEC. 87. Section 116760.55 is added to the Health and Safety*
2 *Code, to read:*

3 *116760.55. (a) For purposes of the board considering*
4 *eligibility for grant or principal forgiveness funding for a planning*
5 *project, a legal entity may apply on behalf of one or more public*
6 *water systems serving disadvantaged or severely disadvantaged*
7 *communities if all of the following requirements are met:*

8 *(1) The legal entity has a signed agreement with each public*
9 *water system for which it is applying for funding for a planning*
10 *and feasibility study project that indicates that the public water*
11 *system agrees to the joint application and that the legal entity is*
12 *acting on behalf of, and in place of, the public water system.*

13 *(2) The application is for 100 percent grant or principal*
14 *forgiveness funding for a planning and feasibility project.*

15 *(3) The planning and feasibility study project includes a study*
16 *of the feasibility of consolidation, which may include expansion*
17 *of service to communities not currently served by a public water*
18 *system.*

19 *(4) The applicant has demonstrated that the legal entity has the*
20 *ability to complete the proposed planning project.*

21 *(5) At least one of the project participating public water systems*
22 *has a primary drinking water standard violation and is on the*
23 *project priority list.*

24 *(b) For purposes of this section, "legal entity" means an entity*
25 *that is duly formed and operating under the laws of this state.*

26 *(c) This section shall become operative on July 1, 2014, and is*
27 *repealed as of January 1 of the next calendar year occurring after*
28 *the board provides notice to the Legislature and the Secretary of*
29 *State and posts notice on its Internet Web site that the board has*
30 *adopted a policy handbook pursuant to Section 116760.43.*

31 *SEC. 88. Section 116760.60 of the Health and Safety Code is*
32 *amended to read:*

33 *116760.60. (a) The department shall notify suppliers that may*
34 *be eligible for funding pursuant to this chapter of the purposes of*
35 *this chapter and the regulations established by the department.*

36 *(b) This section shall become inoperative on July 1, 2014, and,*
37 *as of January 1, 2015, is repealed, unless a later enacted statute,*
38 *that becomes operative on or before January 1, 2015, deletes or*
39 *extends the dates on which it becomes inoperative and is repealed.*

1 *SEC. 89. Section 116760.70 of the Health and Safety Code is*
2 *amended to read:*

3 116760.70. (a) The department, after public notice and hearing,
4 shall, from time to time, establish a priority list of proposed projects
5 to be considered for funding under this chapter. In doing so, the
6 department shall determine if improvement or rehabilitation of the
7 public water system is necessary to provide pure, wholesome, and
8 potable water in adequate quantity and at sufficient pressure for
9 health, cleanliness, and other domestic purposes. The department
10 shall establish criteria for placing public water systems on the
11 priority list for funding that shall include criteria for priority list
12 categories. Priority shall be given to projects that meet all of the
13 following requirements:

14 (1) Address the most serious risk to human health.

15 (2) Are necessary to ensure compliance with requirements of
16 Chapter 4 (commencing with Section 116270) including
17 requirements for filtration.

18 (3) Assist systems most in need on a per household basis
19 according to affordability criteria.

20 (b) The department may, in establishing a new priority list,
21 merge those proposed projects from the existing priority list into
22 the new priority list.

23 (c) In establishing the priority list, the department shall consider
24 the system's implementation of an ongoing source water protection
25 program or wellhead protection program.

26 (d) In establishing the priority list categories and the priority
27 for funding projects, the department shall carry out the intent of
28 the Legislature pursuant to subdivisions (e) to (h), inclusive, of
29 Section 116760.10 and do all of the following:

30 (1) Give priority to upgrade an existing system to meet drinking
31 water standards.

32 (2) After giving priority pursuant to paragraph (1), consider
33 whether the applicant has sought other funds when providing
34 funding for a project to upgrade an existing system and to
35 accommodate a reasonable amount of growth.

36 (e) Consideration of an applicant's eligibility for funding shall
37 initially be based on the priority list in effect at the time the
38 application is received and the project's ability to proceed. If a
39 new priority list is established during the time the application is
40 under consideration, but before the applicant receives a letter of

commitment, the department may consider the applicant's eligibility for funding based on either the old or new priority list.

(f) The department may change the ranking of a specific project on the priority lists at any time following the publication of the list if information, that was not available at the time of the publication of the list, is provided that justifies the change in the ranking of the project.

(g) The department shall provide one or more public hearings on the Intended Use Plan, the priority list, and the criteria for placing public water systems on the priority list. The department shall provide notice of the Intended Use Plan, criteria, and priority list not less than 30 days before the public hearing. The Intended Use Plan, criteria, and priority list shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The department shall conduct duly noticed public hearings and workshops around the state to encourage the involvement and active input of public and affected parties, including, but not limited to, water utilities, local government, public interest, environmental, and consumer groups, public health groups, land conservation interests, health care providers, groups representing vulnerable populations, groups representing business and agricultural interests, and members of the general public, in the development and periodic updating of the Intended Use Plan and the priority list.

(h) The requirements of this section do not constitute an adjudicatory proceeding as defined in Section 11405.20 of the Government Code and Section 11410.10 of the Government Code is not applicable.

(i) *This section shall become inoperative on July 1, 2014, and, as of January 1, 2015, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2015, deletes or extends the dates on which it becomes inoperative and is repealed.*

SEC. 90. Section 116760.70 is added to the Health and Safety Code, to read:

116760.70. (a) *The board, after public notice and opportunity for comment, shall, from time to time, establish a priority list of proposed projects to be considered for funding under this chapter. In doing so, the board shall determine if improvement or rehabilitation of the public water system is necessary to provide pure, wholesome, and potable water in adequate quantity and at*

1 sufficient pressure for health, cleanliness, and other domestic
2 purposes. The board shall establish criteria for placing public
3 water systems on the priority list for funding that shall include
4 criteria for priority list categories. Priority shall be given to
5 projects that meet all of the following requirements:

6 (1) Address the most serious risk to human health.

7 (2) Are necessary to ensure compliance with requirements of
8 Chapter 4 (commencing with Section 116270) including
9 requirements for filtration.

10 (3) Assist systems most in need on a per household basis
11 according to affordability criteria.

12 (b) The board may, in establishing a new priority list, merge
13 those proposed projects from the existing priority list into the new
14 priority list.

15 (c) In establishing the priority list, the board shall consider the
16 system's implementation of an ongoing source water protection
17 program or wellhead protection program.

18 (d) In establishing the priority list categories and the priority
19 for funding projects, the board shall carry out the intent of the
20 Legislature pursuant to subdivisions (f) to (i), inclusive, of Section
21 116760.10 and do all of the following:

22 (1) Give priority to upgrade an existing system to meet drinking
23 water standards.

24 (2) After giving priority pursuant to paragraph (1), consider
25 whether the applicant has sought other funds when providing
26 funding for a project to upgrade an existing system and to
27 accommodate a reasonable amount of growth.

28 (e) Consideration of an applicant's eligibility for funding shall
29 initially be based on the priority list in effect at the time the
30 application is received and the project's ability to proceed. If a
31 new priority list is established during the time the application is
32 under consideration, but before the applicant receives a letter of
33 commitment, the board may consider the applicant's eligibility for
34 funding based on either the old or new priority list.

35 (f) The board may change the ranking of a specific project on
36 the priority lists at any time following the publication of the list if
37 information, that was not available at the time of the publication
38 of the list, is provided that justifies the change in the ranking of
39 the project.

1 (g) *The board shall provide one or more public hearings on the*
2 *Intended Use Plan, the priority list, and the criteria for placing*
3 *public water systems on the priority list. The board shall adopt an*
4 *Intended Use Plan and provide notice of the Intended Use Plan,*
5 *criteria, and priority list not less than 30 days before the adoption*
6 *of the Intended Use Plan. The Intended Use Plan, criteria, and*
7 *priority list shall not be subject to the requirements of Chapter 3.5*
8 *(commencing with Section 11340) of Part 1 of Division 3 of Title*
9 *2 of the Government Code.*

10 (h) *The requirements of this section do not constitute an*
11 *adjudicatory proceeding as defined in Section 11405.20 of the*
12 *Government Code and Section 11410.10 of the Government Code*
13 *is not applicable.*

14 (i) *This section shall become operative on July 1, 2014, and is*
15 *repealed as of January 1 of the next calendar year occurring after*
16 *the board provides notice to the Legislature and the Secretary of*
17 *State and posts notice on its Internet Web site that the board has*
18 *adopted a policy handbook pursuant to Section 116760.43.*

19 SEC. 91. *Section 116760.79 of the Health and Safety Code is*
20 *amended to read:*

21 116760.79. (a) *Applications for funding under this chapter*
22 *shall be made in the form and with the supporting material*
23 *prescribed by the department.*

24 (b) *This section shall become inoperative on July 1, 2014, and,*
25 *as of January 1, 2015, is repealed, unless a later enacted statute,*
26 *that becomes operative on or before January 1, 2015, deletes or*
27 *extends the dates on which it becomes inoperative and is repealed.*

28 SEC. 92. *Section 116760.79 is added to the Health and Safety*
29 *Code, to read:*

30 116760.79. (a) *Applications for funding under this chapter*
31 *shall be made in the form and with the supporting material*
32 *prescribed by the board.*

33 (b) *This section shall become operative on July 1, 2014, and*
34 *is repealed on January 1 of the next calendar year occurring after*
35 *the board provides notice to the Legislature and the Secretary of*
36 *State and posts notice on its Internet Web site that the board has*
37 *adopted a policy handbook pursuant to Section 116760.43.*

38 SEC. 93. *Section 116760.80 of the Health and Safety Code is*
39 *amended to read:*

1 116760.80. (a) The department shall determine, based on
2 applications received, whether a particular applicant meets the
3 criteria to be eligible for consideration.

4 (b) If the applicant does not meet the criteria, it may be
5 considered for planning and preliminary engineering study funding.
6 ~~Applicants~~ *An applicant* successfully completing a study ~~are~~ *is*
7 eligible for consideration for project design and construction
8 funding after ~~their~~ *the* study is completed and ~~they have~~ *it has* met
9 the criteria to be eligible for consideration for project design and
10 construction funding.

11 (c) *This section shall become inoperative on July 1, 2014, and,*
12 *as of January 1, 2015, is repealed, unless a later enacted statute,*
13 *that becomes operative on or before January 1, 2015, deletes or*
14 *extends the dates on which it becomes inoperative and is repealed.*

15 *SEC. 94. Section 116760.80 is added to the Health and Safety*
16 *Code, to read:*

17 116760.80. (a) The board shall determine, based on
18 applications received, whether a particular applicant meets the
19 criteria to be eligible for consideration.

20 (b) If the applicant does not meet the criteria, it may be
21 considered for planning and preliminary engineering study funding.
22 *An applicant* successfully completing a study *is* eligible for
23 consideration for project design and construction funding after
24 the study is completed and it has met the criteria to be eligible for
25 consideration for project design and construction funding.

26 (c) *This section shall become operative on July 1, 2014, and is*
27 *repealed as of January 1 of the next calendar year occurring after*
28 *the board provides notice to the Legislature and the Secretary of*
29 *State and posts notice on its Internet Web site that the board has*
30 *adopted a policy handbook pursuant to Section 116760.43.*

31 *SEC. 95. Section 116760.90 of the Health and Safety Code is*
32 *amended to read:*

33 116760.90. (a) The department shall not approve an application
34 for funding unless the department determines that the proposed
35 study or project is necessary to enable the applicant to meet safe
36 drinking water standards, and is consistent with an adopted
37 countywide plan, if any. The department may refuse to fund a
38 study or project if it determines that the purposes of this chapter
39 may more economically and efficiently be met by means other
40 than the proposed study or project. The department shall not

1 approve an application for funding a project with a primary purpose
2 to supply or attract future growth. The department may limit
3 funding to costs necessary to enable suppliers to meet primary
4 drinking water standards, as defined in Chapter 4 (commencing
5 with Section 116270).

6 (b) With respect to applications for funding of project design
7 and construction, the department shall also determine all of the
8 following:

9 (1) Upon completion of the project, the applicant will be able
10 to supply water that meets safe drinking water standards.

11 (2) The project is cost-effective.

12 (3) If the entire project is not to be funded under this chapter,
13 the department shall specify which costs are eligible for funding.

14 (c) In considering an application for funding a project that meets
15 all other requirements of this chapter and regulations, the
16 department shall not be prejudiced by the applicant initiating the
17 project ~~prior to before~~ the department ~~approving~~ *approves* the
18 application for funding. Preliminary project costs that are otherwise
19 eligible for funding pursuant to the provisions of this chapter shall
20 not be ineligible because the costs were incurred by the applicant
21 ~~prior to before~~ the department ~~approving~~ *approves* the application
22 for funding. Construction costs that are otherwise eligible for
23 funding pursuant to the provisions of this chapter shall not be
24 ineligible because the costs were incurred after the approval of the
25 application by the department but prior to the department entering
26 into a contract with the applicant pursuant to Section 116761.50.

27 (d) *This section shall become inoperative on July 1, 2014, and,*
28 *as of January 1, 2015, is repealed, unless a later enacted statute,*
29 *that becomes operative on or before January 1, 2015, deletes or*
30 *extends the dates on which it becomes inoperative and is repealed.*

31 SEC. 96. Section 116760.90 is added to the Health and Safety
32 Code, to read:

33 116760.90. (a) *The board shall not approve an application*
34 *for funding unless the board determines that the proposed study*
35 *or project is necessary to enable the applicant to meet safe drinking*
36 *water standards, and is consistent with an adopted countywide*
37 *plan, if any. The board may refuse to fund a study or project if it*
38 *determines that the purposes of this chapter may more*
39 *economically and efficiently be met by means other than the*
40 *proposed study or project. The board shall not approve an*

1 application for funding a project with a primary purpose to supply
2 or attract future growth. The board may limit funding to costs
3 necessary to enable suppliers to meet primary drinking water
4 standards, as defined in Chapter 4 (commencing with Section
5 116270).

6 (b) With respect to applications for funding of project design
7 and construction, the board shall also determine all of the
8 following:

9 (1) Upon completion of the project, the applicant will be able
10 to supply water that meets safe drinking water standards.

11 (2) The project is cost effective.

12 (3) If the entire project is not to be funded under this chapter,
13 the board shall specify which costs are eligible for funding.

14 (c) In considering an application for funding a project that
15 meets all other requirements of this chapter and regulations, the
16 board shall not be prejudiced by the applicant initiating the project
17 before the board approves the application for funding. Preliminary
18 project costs that are otherwise eligible for funding pursuant to
19 the provisions of this chapter shall not be ineligible because the
20 costs were incurred by the applicant before the board approves
21 the application for funding. Construction costs that are otherwise
22 eligible for funding pursuant to the provisions of this chapter shall
23 not be ineligible because the costs were incurred after the approval
24 of the application by the board, but before the board entering into
25 a contract with the applicant pursuant to Section 116761.50.

26 (d) This section shall become operative on July 1, 2014, and is
27 repealed as of January 1 of the next calendar year occurring after
28 the board provides notice to the Legislature and the Secretary of
29 State and posts notice on its Internet Web site that the board has
30 adopted a policy handbook pursuant to Section 116760.43.

31 SEC. 97. Section 116761 of the Health and Safety Code is
32 amended to read:

33 116761. (a) Planning and preliminary engineering studies,
34 project design, and construction costs eligible for funding under
35 this chapter shall be established by the department and may include
36 any of the following:

37 (a)

38 (1) Reasonable costs for the construction, improvement, or
39 rehabilitation of facilities of the public water system, which may
40 include water supply, treatment works, and all or part of a water

1 distribution system, if necessary to carry out the purposes of this
2 chapter.

3 ~~(b)~~

4 (2) Reasonable costs associated with the consolidation of water
5 systems, including, but not limited to, reasonable facility fees,
6 connection fees, or similar charges.

7 ~~(c)~~

8 (3) Reasonable costs of purchasing water systems, water rights,
9 or watershed lands.

10 ~~(d)~~

11 (4) Operation and maintenance costs only to the extent they are
12 used in the startup and testing of the completed project. All other
13 operation and maintenance costs shall be the responsibility of the
14 supplier and shall not be considered as part of the project costs.

15 ~~(e)~~

16 (5) Reasonable costs of establishing eligibility for funding under
17 this chapter that were incurred before the department entered into
18 a commitment to fund the project under this chapter.

19 ~~(f)~~

20 (6) The acquisition of real property or interests therein only if
21 the acquisition is integral to a project, and as otherwise limited in
22 the federal act.

23 *(b) This section shall become inoperative on July 1, 2014, and,*
24 *as of January 1, 2015, is repealed, unless a later enacted statute,*
25 *that becomes operative on or before January 1, 2015, deletes or*
26 *extends the dates on which it becomes inoperative and is repealed.*

27 *SEC. 98. Section 116761 is added to the Health and Safety*
28 *Code, to read:*

29 *116761. (a) Planning and preliminary engineering studies,*
30 *project design, and construction costs eligible for funding under*
31 *this chapter shall be established by the board and may include*
32 *any of the following:*

33 *(1) Reasonable costs for the construction, improvement, or*
34 *rehabilitation of facilities of the public water system, which may*
35 *include water supply, treatment works, and all or part of a water*
36 *distribution system, if necessary to carry out the purposes of this*
37 *chapter.*

38 *(2) Reasonable costs associated with the consolidation of water*
39 *systems, including, but not limited to, reasonable facility fees,*
40 *connection fees, or similar charges.*

1 (3) Reasonable costs of purchasing water systems, water rights,
2 or watershed lands.

3 (4) Operation and maintenance costs only to the extent they are
4 used in the startup and testing of the completed project. All other
5 operation and maintenance costs shall be the responsibility of the
6 supplier and shall not be considered as part of the project costs.

7 (5) Reasonable costs of establishing eligibility for funding under
8 this chapter that were incurred before the board entered into a
9 commitment to fund the project under this chapter.

10 (6) The acquisition of real property or interests therein only if
11 the acquisition is integral to a project, and as otherwise limited
12 in the federal act.

13 (b) This section shall become operative on July 1, 2014, and is
14 repealed as of January 1 of the next calendar year occurring after
15 the board provides notice to the Legislature and the Secretary of
16 State and posts notice on its Internet Web site that the board has
17 adopted a policy handbook pursuant to Section 116760.43.

18 SEC. 99. Section 116761.20 of the Health and Safety Code is
19 amended to read:

20 116761.20. (a) Planning and preliminary engineering studies,
21 project design, and construction costs incurred by community and
22 not-for-profit noncommunity public water systems may be funded
23 under this chapter by loans, and, if these systems are owned by
24 public agencies or private not-for-profit water companies, by grants
25 or a combination of grants and loans.

26 (b) (1) The department shall determine what portion of the full
27 costs the public agency or private not-for-profit water company is
28 capable of repaying and authorize funding in the form of a loan
29 for that amount. The department shall authorize a grant only to the
30 extent the department finds the public agency or not-for-profit
31 water company is unable to repay the full costs of a loan.

32 (2) Notwithstanding any other provision of this chapter, a small
33 community water system or nontransient noncommunity water
34 system that is owned by a public agency or a private not-for-profit
35 water company and serving a severely disadvantaged community,
36 is deemed to have no ability to repay a loan.

37 (c) At the request of the department, the Public Utilities
38 Commission shall submit comments concerning the ability of
39 suppliers, subject to its jurisdiction, to finance the project from
40 other sources and to repay the loan.

1 (d) *This section shall become inoperative on July 1, 2014, and,*
2 *as of January 1, 2015, is repealed, unless a later enacted statute,*
3 *that becomes operative on or before January 1, 2015, deletes or*
4 *extends the dates on which it becomes inoperative and is repealed.*

5 SEC. 100. *Section 116761.20 is added to the Health and Safety*
6 *Code, to read:*

7 116761.20. (a) *Planning and preliminary engineering studies,*
8 *project design, and construction costs incurred by community and*
9 *not-for-profit noncommunity public water systems may be funded*
10 *under this chapter by loans or other repayable financing, and, if*
11 *these systems are owned by public agencies or private*
12 *not-for-profit water companies, by grants, principal forgiveness,*
13 *or a combination of grants and loans or other financial assistance.*

14 (b) (1) *The board shall determine what portion of the full costs*
15 *the public agency or private not-for-profit water company is*
16 *capable of repaying and authorize funding in the form of a loan*
17 *or other repayable financing for that amount. The board shall*
18 *authorize a grant or principal forgiveness only to the extent the*
19 *board finds the public agency or not-for-profit water company is*
20 *unable to repay the full costs of the financing.*

21 (2) *Notwithstanding any other provision of this chapter, a small*
22 *community water system or nontransient noncommunity water*
23 *system that is owned by a public agency or a private not-for-profit*
24 *water company and serving a severely disadvantaged community,*
25 *is deemed to have no ability to repay any financing.*

26 (c) *At the request of the board, the Public Utilities Commission*
27 *shall submit comments concerning the ability of suppliers, subject*
28 *to its jurisdiction, to finance the project from other sources and*
29 *to repay the financing.*

30 (d) *This section shall become operative on July 1, 2014.*

31 SEC. 101. *Section 116761.21 of the Health and Safety Code*
32 *is amended to read:*

33 116761.21. (a) *Not more than 30 percent and not less than 15*
34 *percent, provided that there are projects eligible for funding as*
35 *prescribed in Section 116760.70, of the total amount deposited in*
36 *the fund may be expended for grants. This amount shall be limited*
37 *to disadvantaged communities specified in Section 1452(d) of the*
38 *federal act (42 U.S.C.A. Sec. 300j-12).*

39 (b) *This section shall become inoperative on July 1, 2014, and,*
40 *as of January 1, 2015, is repealed, unless a later enacted statute,*

1 *that becomes operative on or before January 1, 2015, deletes or*
2 *extends the dates on which it becomes inoperative and is repealed.*

3 *SEC. 102. Section 116761.22 of the Health and Safety Code*
4 *is amended to read:*

5 116761.22. (a) Loans for project design and construction shall
6 be repaid over a term not longer than the useful life of the project
7 constructed or 20 years, whichever is shorter, except as provided
8 in the federal act.

9 (b) *This section shall become inoperative on July 1, 2014, and,*
10 *as of January 1, 2015, is repealed, unless a later enacted statute,*
11 *that becomes operative on or before January 1, 2015, deletes or*
12 *extends the dates on which it becomes inoperative and is repealed.*

13 *SEC. 103. Section 116761.23 of the Health and Safety Code*
14 *is amended to read:*

15 116761.23. (a) The maximum amount of a planning grant
16 permitted under this chapter for each participating public water
17 system's share of the costs of the planning, engineering studies,
18 environmental documentation, and design of a single project shall
19 be no more than five hundred thousand dollars (\$500,000).

20 (b) Unless the department approves an increase pursuant to this
21 subdivision, the maximum amount of a construction grant award
22 authorized under this chapter to each participating public water
23 system for its share of the cost of the construction of a single
24 project shall be no more than three million dollars (\$3,000,000).
25 The department may approve an increase in the maximum amount
26 for a construction grant award authorized under this chapter so
27 that the maximum amount of the construction grant award does
28 not exceed ten million dollars (\$10,000,000) only if the department
29 makes all of the following findings:

30 (1) A public water system that serves a disadvantaged
31 community has a defined project need that exceeds the maximum
32 grant amount of three million dollars (\$3,000,000).

33 (2) The defined project has been bypassed in at least one funding
34 cycle due to a lack of funds.

35 (3) The defined project is eligible for funding pursuant to the
36 program regulations.

37 (4) The defined project represents the highest public health risk
38 among unfunded projects, as determined by the department
39 according to its standard criteria.

1 (c) Total funding under this article for planning, engineering
2 studies, environmental documentation, project design, and
3 construction costs of a single project, whether in the form of a loan
4 or a grant, or both, shall be determined by an assessment of
5 affordability using criteria established by the department.

6 (d) Subject to all other limitations of this chapter, a small
7 community water system or nontransient noncommunity water
8 system, owned by a public agency or private not-for-profit water
9 company, serving severely disadvantaged communities shall be
10 eligible to receive up to 100 percent of eligible project costs in the
11 form of a grant, to the extent the system cannot afford a loan as
12 determined by the department pursuant to Section 116761.20.

13 (e) Subject to the availability of funds and the applicant's ability
14 to repay, an applicant may receive up to the full cost of the project
15 in the form of a loan bearing interest at the rate established pursuant
16 to subdivision (a) of Section 116761.65.

17 (f) *This section shall become inoperative on July 1, 2014, and,*
18 *as of January 1, 2015, is repealed, unless a later enacted statute,*
19 *that becomes operative on or before January 1, 2015, deletes or*
20 *extends the dates on which it becomes inoperative and is repealed.*

21 *SEC. 104. Section 116761.23 is added to the Health and Safety*
22 *Code, to read:*

23 *116761.23. (a) The maximum amount of a planning grant*
24 *permitted under this chapter for each participating public water*
25 *system's share of the costs of the planning, engineering studies,*
26 *environmental documentation, and design of a single project shall*
27 *be no more than five hundred thousand dollars (\$500,000).*

28 *(b) Unless the board approves an increase pursuant to this*
29 *subdivision, the maximum amount of a construction grant award*
30 *authorized under this chapter to each participating public water*
31 *system for its share of the cost of the construction of a single*
32 *project shall be no more than three million dollars (\$3,000,000).*
33 *The board may approve an increase in the maximum amount for*
34 *a construction grant award authorized under this chapter so that*
35 *the maximum amount of the construction grant award does not*
36 *exceed ten million dollars (\$10,000,000) only if the board makes*
37 *all of the following findings:*

38 *(1) A public water system that serves a disadvantaged*
39 *community has a defined project need that exceeds the maximum*
40 *grant amount of three million dollars (\$3,000,000).*

1 (2) *The defined project has been bypassed in at least one funding*
2 *cycle due to a lack of funds.*

3 (3) *The defined project is eligible for funding pursuant to the*
4 *program regulations.*

5 (4) *The defined project represents the highest public health risk*
6 *among unfunded projects, as determined by the board according*
7 *to its standard criteria.*

8 (c) *Total funding under this article for planning, engineering*
9 *studies, environmental documentation, project design, and*
10 *construction costs of a single project, whether in the form of a*
11 *loan or a grant, or both, shall be determined by an assessment of*
12 *affordability using criteria established by the board.*

13 (d) *Subject to all other limitations of this chapter, a small*
14 *community water system or nontransient noncommunity water*
15 *system, owned by a public agency or private not-for-profit water*
16 *company, serving severely disadvantaged communities shall be*
17 *eligible to receive up to 100 percent of eligible project costs in the*
18 *form of a grant, to the extent the system cannot afford a loan as*
19 *determined by the board pursuant to Section 116761.20.*

20 (e) *Subject to the availability of funds and the applicant's ability*
21 *to repay, an applicant may receive up to the full cost of the project*
22 *in the form of a loan bearing interest at the rate established*
23 *pursuant to subdivision (a) of Section 116761.65.*

24 (f) *This section shall become operative on July 1, 2014, and is*
25 *repealed as of January 1 of the next calendar year occurring after*
26 *the board provides notice to the Legislature and the Secretary of*
27 *State and posts notice on its Internet Web site that the board has*
28 *adopted a policy handbook pursuant to Section 116760.43.*

29 SEC. 105. *Section 116761.24 of the Health and Safety Code*
30 *is amended to read:*

31 116761.24. (a) *Not less than 15 percent of the total amount*
32 *deposited in the fund shall be expended for providing loans and*
33 *grants to public water systems that regularly serve fewer than*
34 *10,000 persons to the extent those funds can be obligated for*
35 *eligible projects.*

36 (b) *This section shall become inoperative on July 1, 2014, and,*
37 *as of January 1, 2015, is repealed, unless a later enacted statute,*
38 *that becomes operative on or before January 1, 2015, deletes or*
39 *extends the dates on which it becomes inoperative and is repealed.*

1 *SEC. 106. Section 116761.40 of the Health and Safety Code*
2 *is amended to read:*

3 116761.40. (a) The failure or inability of any public water
4 system to receive funds under this chapter or any other loan or
5 grant program or any delay in obtaining the funds shall not alter
6 the obligation of the system to comply in a timely manner with all
7 applicable drinking water standards and requirements of the
8 California Safe Drinking Water Act or the federal act.

9 (b) *This section shall become inoperative on July 1, 2014, and,*
10 *as of January 1, 2015, is repealed, unless a later enacted statute,*
11 *that becomes operative on or before January 1, 2015, deletes or*
12 *extends the dates on which it becomes inoperative and is repealed.*

13 *SEC. 107. Section 116761.40 is added to the Health and Safety*
14 *Code, to read:*

15 116761.40. (a) The failure or inability of any public water
16 system to receive funds under this chapter or any other financial
17 assistance program or any delay in obtaining the funds shall not
18 alter the obligation of the system to comply in a timely manner
19 with all applicable drinking water standards and requirements of
20 the California Safe Drinking Water Act or the federal act.

21 (b) *This section shall become operative on July 1, 2014.*

22 *SEC. 108. Section 116761.50 of the Health and Safety Code*
23 *is amended to read:*

24 116761.50. (a) The department may enter into contracts with
25 applicants for grants or loans for the purposes set forth in this
26 chapter. Any contract entered into pursuant to this section shall
27 include only terms and conditions consistent with this chapter and
28 the regulations established under this chapter.

29 (b) The contract shall include all of the following terms and
30 conditions that are applicable:

31 (1) An estimate of the reasonable cost of the project or study.

32 (2) An agreement by the department to loan or grant, or loan
33 and grant, the applicant an amount that equals the portion of the
34 costs found by the department to be eligible for a state loan or
35 grant. The agreement may provide for disbursement of funds during
36 the progress of the study or construction, or following completion
37 of the study or construction, as agreed by the parties.

38 (3) An agreement by the applicant to proceed expeditiously with
39 the project or study.

1 (4) An agreement by the applicant to commence operations of
2 the project upon completion of the project, and to properly operate
3 and maintain the project in accordance with the applicable
4 provisions of law.

5 (5) In the case of a loan, an agreement by the applicant to repay
6 the state, over a period not to exceed the useful life of the project
7 or 20 years, whichever is shorter, except as provided in the federal
8 act, or in the case of a study, over a period not to exceed five years,
9 all of the following:

10 (A) The amount of the loan.

11 (B) The administrative fee specified in subdivision (a) of Section
12 116761.70.

13 (C) Interest on the principal, which is the amount of the loan
14 plus the administrative fee.

15 (6) In the case of a grant, an agreement by the public agency or
16 private not-for-profit water company to operate and maintain the
17 water system for a period of 20 years, unless otherwise authorized
18 by the department.

19 (c) The contract may include any of the following terms and
20 conditions:

21 (1) An agreement by the supplier to adopt a fee structure that
22 provides for the proper maintenance and operations of the project
23 and includes a sinking fund for repair and replacement of the
24 facilities in cases where appropriate. The fee structure shall also
25 provide an acceptable dedicated source of revenue for the
26 repayment of the amount of the loan, and the payment of
27 administrative fees and interest.

28 (2) If the entire project is not funded pursuant to this chapter,
29 the department may include a provision requiring the applicant to
30 share the cost of the project or obtain funding from other sources.

31 (d) The department may require applicants to provide security
32 for loan contracts.

33 *(e) This section shall become inoperative on July 1, 2014, and,*
34 *as of January 1, 2015, is repealed, unless a later enacted statute,*
35 *that becomes operative on or before January 1, 2015, deletes or*
36 *extends the dates on which it becomes inoperative and is repealed.*

37 SEC. 109. Section 116761.50 is added to the Health and Safety
38 Code, to read:

39 116761.50. (a) The board may enter into contracts with
40 applicants for grants or loans for the purposes set forth in this

chapter. Any contract entered into pursuant to this section shall include only terms and conditions consistent with this chapter and the regulations established under this chapter.

(b) The contract shall include all of the following terms and conditions that are applicable:

(1) An estimate of the reasonable cost of the project or study.

(2) An agreement by the board to loan or grant, or loan and grant, the applicant an amount that equals the portion of the costs found by the board to be eligible for a state loan or grant. The agreement may provide for disbursement of funds during the progress of the study or construction, or following completion of the study or construction, as agreed by the parties.

(3) An agreement by the applicant to proceed expeditiously with the project or study.

(4) An agreement by the applicant to commence operations of the project upon completion of the project, and to properly operate and maintain the project in accordance with the applicable provisions of law.

(5) In the case of a loan, an agreement by the applicant to repay the state, over a period not to exceed the useful life of the project or 20 years, whichever is shorter, except as provided in the federal act, or in the case of a study, over a period not to exceed five years, all of the following:

(A) The amount of the loan.

(B) The administrative fee specified in subdivision (a) of Section 116761.70.

(C) Interest on the principal, which is the amount of the loan plus the administrative fee.

(6) In the case of a grant, an agreement by the public agency or private not-for-profit water company to operate and maintain the water system for the term of the financing agreement or the useful life of the project, as determined by the board, unless otherwise authorized by the board.

(c) The contract may include any of the following terms and conditions:

(1) An agreement by the supplier to adopt a fee structure that provides for the proper maintenance and operations of the project and includes a sinking fund for repair and replacement of the facilities in cases where appropriate. The fee structure shall also provide an acceptable dedicated source of revenue for the

1 repayment of the amount of the loan, and the payment of
2 administrative fees and interest.

3 (2) If the entire project is not funded pursuant to this chapter,
4 the board may include a provision requiring the applicant to share
5 the cost of the project or obtain funding from other sources.

6 (d) The board may require applicants to provide security for
7 loan contracts.

8 (e) This section shall become operative on July 1, 2014, and is
9 repealed as of January 1 of the next calendar year occurring after
10 the board provides notice to the Legislature and the Secretary of
11 State and posts notice on its Internet Web site that the board has
12 adopted a policy handbook pursuant to Section 116760.43.

13 SEC. 110. Section 116761.50 is added to the Health and Safety
14 Code, to read:

15 116761.50. (a) The board may enter into financing agreements
16 with applicants for the purposes set forth in this chapter.

17 (b) If the board provides construction financing, the financing
18 recipient shall commit to operate and maintain, or ensure the
19 operation and maintenance of, the water system for the term of
20 the financing agreement or the useful life of the project, as
21 determined by the board, unless otherwise authorized by the board.

22 (c) This section shall become operative on January 1 of the next
23 calendar year occurring after the board provides notice to the
24 Legislature and the Secretary of State and posts notice on its
25 Internet Web site that the board has adopted a policy handbook
26 pursuant to Section 116760.43.

27 SEC. 111. Section 116761.60 of the Health and Safety Code
28 is amended to read:

29 116761.60. (a) All funding received under this chapter shall
30 be expended by the applicant within three years of the execution
31 of the contract with the department or its designee. The three-year
32 period may be extended, with the approval of the department, until
33 five years after the date the original contract, not including
34 amendments, was executed.

35 (b) This section shall become inoperative on July 1, 2014, and,
36 as of January 1, 2015, is repealed, unless a later enacted statute,
37 that becomes operative on or before January 1, 2015, deletes or
38 extends the dates on which it becomes inoperative and is repealed.

39 SEC. 112. Section 116761.60 is added to the Health and Safety
40 Code, to read:

1 116761.60. (a) All funding received under this chapter shall
2 be expended by the applicant within three years of the execution
3 of the contract with the board or its designee. The three-year period
4 may be extended, with the approval of the board, until five years
5 after the date the original contract, not including amendments,
6 was executed.

7 (b) This section shall become operative on July 1, 2014, and is
8 repealed as of January 1 of the next calendar year occurring after
9 the board provides notice to the Legislature and the Secretary of
10 State and posts notice on its Internet Web site that the board has
11 adopted a policy handbook pursuant to Section 116760.43.

12 SEC. 113. Section 116761.62 of the Health and Safety Code
13 is amended to read:

14 116761.62. (a) To the extent permitted by federal and state
15 law, moneys in the fund may be expended to rebate to the federal
16 government all arbitrage profits required by the federal Tax Reform
17 Act of 1986 (~~P.L.~~ (Public Law 99-514) or any amendment thereof
18 of or supplement ~~thereto~~ to that law. To the extent that this
19 expenditure of the moneys in the fund is prohibited by federal or
20 state law, any rebates required by federal law shall be paid from
21 the General Fund or other sources, upon appropriation by the
22 Legislature.

23 (b) Notwithstanding any other ~~provisions of~~ law or regulation,
24 the department may enter into contracts or may procure those
25 services and equipment that may be necessary to ensure prompt
26 and complete compliance with any provisions relating to the fund
27 imposed by either the federal Tax Reform Act of 1986 (~~P.L.~~ (Public
28 Law 99-514) or the federal Safe Drinking Water Act.

29 (c) This section shall become inoperative on July 1, 2014, and,
30 as of January 1, 2015, is repealed, unless a later enacted statute,
31 that becomes operative on or before January 1, 2015, deletes or
32 extends the dates on which it becomes inoperative and is repealed.

33 SEC. 114. Section 116761.62 is added to the Health and Safety
34 Code, to read:

35 116761.62. (a) To the extent permitted by federal and state
36 law, moneys in the fund may be expended to rebate to the federal
37 government all arbitrage profits required by the federal Tax
38 Reform Act of 1986 (Public Law 99-514) or any amendment of or
39 supplement to that law. To the extent that this expenditure of the
40 moneys in the fund is prohibited by federal or state law, any rebates

1 *required by federal law shall be paid from the General Fund or*
2 *other sources, upon appropriation by the Legislature.*

3 *(b) Notwithstanding any other law or regulation, the board may*
4 *enter into contracts or may procure those services and equipment*
5 *that may be necessary to ensure prompt and complete compliance*
6 *with any provisions relating to the fund imposed by either the*
7 *federal Tax Reform Act of 1986 (Public Law 99-514) or the federal*
8 *Safe Drinking Water Act.*

9 *(c) This section shall become operative on July 1, 2014.*

10 *SEC. 115. Section 116761.65 of the Health and Safety Code*
11 *is amended to read:*

12 *116761.65. (a) The department shall annually establish the*
13 *interest rate for loans made pursuant to this chapter at 50 percent*
14 *of the average interest rate, computed by the true interest cost*
15 *method, paid by the state on general obligation bonds issued in*
16 *the prior calendar year. All loans made pursuant to this chapter*
17 *shall carry the interest rate established for the calendar year in*
18 *which the funds are committed to the loan, as of the date of the*
19 *letter of commitment. The interest rate set for each loan shall be*
20 *applied throughout the repayment period of the loan. Interest on*
21 *the loan shall not be deferred.*

22 *(b) Notwithstanding subdivision (a), if the loan applicant is a*
23 *public water system that is a disadvantaged community or provides*
24 *matching funds, the interest rate on the loan shall be zero percent.*

25 *(c) This section shall become inoperative on July 1, 2014, and,*
26 *as of January 1, 2015, is repealed, unless a later enacted statute,*
27 *that becomes operative on or before January 1, 2015, deletes or*
28 *extends the dates on which it becomes inoperative and is repealed.*

29 *SEC. 116. Section 116761.65 is added to the Health and Safety*
30 *Code, to read:*

31 *116761.65. (a) The board shall annually establish the interest*
32 *rate for loans made pursuant to this chapter at a rate not to exceed*
33 *50 percent of the average interest rate, computed by the true*
34 *interest cost method, paid by the state on general obligation bonds*
35 *issued in the prior calendar year. All loans made pursuant to this*
36 *chapter shall carry the interest rate established for the calendar*
37 *year in which the funds are committed to the loan, as of the date*
38 *of the letter of commitment. The interest rate set for each loan*
39 *shall be applied throughout the repayment period of the loan.*
40 *Interest on the loan shall not be deferred.*

1 (b) Notwithstanding subdivision (a), if the loan applicant is a
2 public water system that is a disadvantaged community or provides
3 matching funds, the interest rate on the loan shall be zero percent.

4 (c) This section shall become operative on July 1, 2014, and is
5 repealed as of January 1 of the next calendar year occurring after
6 the board provides notice to the Legislature and the Secretary of
7 State and posts notice on its Internet Web site that the board has
8 adopted a policy handbook pursuant to Section 116760.43.

9 SEC. 117. Section 116761.65 is added to the Health and Safety
10 Code, to read:

11 116761.65. (a) The board shall annually establish the interest
12 rate for repayable financing made pursuant to this chapter at a
13 rate not to exceed 50 percent of the average interest rate, computed
14 by the true interest cost method, paid by the state on general
15 obligation bonds issued in the prior calendar year, rounded up to
16 the closest one-tenth of 1 percent.

17 (b) Notwithstanding subdivision (a), if the financing is for a
18 public water system that serves a disadvantaged community with
19 a financial hardship as determined by the board or if the financing
20 is for a public water system that provides matching funds, the
21 interest rate shall be 0 percent.

22 (c) This section shall become operative on January 1 of the next
23 calendar year occurring after the board provides notice to the
24 Legislature and the Secretary of State and posts notice on its
25 Internet Web site that the board has adopted a policy handbook
26 pursuant to Section 116760.43.

27 SEC. 118. Section 116761.70 of the Health and Safety Code
28 is amended to read:

29 116761.70. (a) Not more than 4 percent of the capitalization
30 grant may be used by the department for administering this chapter.
31 The department may establish a reasonable schedule of
32 administrative fees for loans, which shall be paid by the applicant
33 to reimburse the state for the costs of the state administration of
34 this chapter.

35 (b) Charges incurred by the Attorney General in protection of
36 the state's interest in the use of repayment of grant and loan funds
37 under this chapter shall be paid. These charges shall not be paid
38 from funds allocated for administrative purposes, but shall be
39 treated as a program expense not to exceed one-half of 1 percent
40 of the total amount deposited in the fund.

1 (c) *This section shall become inoperative on July 1, 2014, and,*
2 *as of January 1, 2015, is repealed, unless a later enacted statute,*
3 *that becomes operative on or before January 1, 2015, deletes or*
4 *extends the dates on which it becomes inoperative and is repealed.*

5 SEC. 119. *Section 116761.70 is added to the Health and Safety*
6 *Code, to read:*

7 116761.70. (a) *Not more than 4 percent of the capitalization*
8 *grant may be used by the board for administering this chapter.*
9 *The board may establish a reasonable schedule of administrative*
10 *fees that shall be paid by the applicant to reimburse the state for*
11 *the costs of the state administration of this chapter.*

12 (b) *This section shall become operative on July 1, 2014.*

13 SEC. 120. *Section 116761.80 of the Health and Safety Code*
14 *is amended to read:*

15 116761.80. (a) The department may expend money repaid to
16 the state pursuant to any contract executed under Section 116761.50
17 as necessary for the administration of contracts entered into by the
18 department under this chapter, but those expenditures may not in
19 any year exceed 1.5 percent of the amount of principal and interest
20 projected to be paid to the state in that year pursuant to this chapter.

21 (b) Charges incurred by the Attorney General in protecting the
22 state's interest in the use of funds and repayment of funds under
23 this chapter may be paid by the department from these funds, but
24 those charges may not exceed one-half of 1 percent of the amount
25 of principal and interest projected to be paid to the state in that
26 year pursuant to this chapter.

27 (c) Any of these sums unexpended by the department at the end
28 of any year shall automatically revert to the fund.

29 (d) *This section shall become inoperative on July 1, 2014, and,*
30 *as of January 1, 2015, is repealed, unless a later enacted statute,*
31 *that becomes operative on or before January 1, 2015, deletes or*
32 *extends the dates on which it becomes inoperative and is repealed.*

33 SEC. 121. *Section 116761.85 of the Health and Safety Code*
34 *is amended to read:*

35 116761.85. (a) Except as provided in Section 116761.80, all
36 money repaid to the state pursuant to any contract executed under
37 subdivision (a) of Section 116761.50, including interest payments
38 and all interest earned on or accruing to any moneys in the fund,
39 shall be deposited in the fund and shall be available in perpetuity,

1 for expenditure for the purposes and uses permitted by this chapter
2 and the federal act.

3 *(b) This section shall become inoperative on July 1, 2014, and,*
4 *as of January 1, 2015, is repealed, unless a later enacted statute,*
5 *that becomes operative on or before January 1, 2015, deletes or*
6 *extends the dates on which it becomes inoperative and is repealed.*

7 SEC. 122. Section 116761.85 is added to the Health and Safety
8 Code, to read:

9 116761.85. (a) Moneys repaid to the state pursuant to any
10 contract executed pursuant to this chapter, including interest
11 payments and all interest earned on or accruing to any moneys in
12 the fund, shall be deposited in the fund and shall be available in
13 perpetuity, for expenditure for the purposes and uses permitted by
14 this chapter and the federal act.

15 *(b) This section shall become operative on July 1, 2014.*

16 SEC. 123. Section 116762.60 of the Health and Safety Code
17 is amended to read:

18 116762.60. (a) The department shall, contingent upon receiving
19 federal capitalization grant funds, develop and implement a
20 program to protect sources of drinking water. In carrying out this
21 program, the department shall coordinate with local, state, and
22 federal agencies that have public health and environmental
23 management programs to ensure an effective implementation of
24 the program while avoiding duplication of effort and reducing
25 program costs. The program shall include *all of* the following:

26 (1) A source water assessment program to delineate and assess
27 the drinking water supplies of public drinking water systems
28 pursuant to Section 1453 of the federal act.

29 (2) A wellhead protection program to protect drinking water
30 wells from contamination pursuant to Section 1428 of the federal
31 act.

32 (3) Pursuant to Section 1452(k) of the federal act, the department
33 shall set aside federal capitalization grant funds sufficient to carry
34 out paragraphs (1) and (2) of subdivision (a).

35 (b) The department shall set aside federal capitalization grant
36 funds to provide assistance to water systems pursuant to Section
37 1452(k) of the federal act for the following source water protection
38 activities, to the extent that those activities are proposed:

39 (1) To acquire land or a conservation easement if the purpose
40 of the acquisition is to protect the source water of the system from

1 contamination and to ensure compliance with primary drinking
2 water regulations.

3 (2) To implement local, voluntary source water protection
4 measures to protect source water in areas delineated pursuant to
5 Section 1453 of the federal act, in order to facilitate compliance
6 with primary drinking water regulations applicable to the water
7 system under Section 1412 of the federal act or otherwise
8 significantly further the health protection objectives of the federal
9 and state acts.

10 (3) To carry out a voluntary, incentive-based source water
11 quality protection partnership pursuant to Section 1454 of the
12 federal act.

13 (c) The department shall conduct duly noticed public hearings,
14 public workshops, focus groups, or meetings around the state to
15 encourage the involvement and active input of public and affected
16 parties in the development and periodic updating of the source
17 water protection program adopted pursuant to this article. The
18 notices shall contain basic information about the program in an
19 understandable format and shall notify widely representative
20 groups, including, but not limited to, federal, state, and local
21 governmental agencies, water utilities, public interest,
22 environmental, and consumer groups, public health groups, land
23 conservation groups, health care providers, groups representing
24 vulnerable populations, groups representing business and
25 agricultural interests, and members of the general public. In
26 addition, the department shall convene a technical advisory
27 committee and a citizens' advisory committee made up of those
28 representative groups to provide advice and direction on program
29 development and implementation.

30 (d) The department shall submit a report to the Legislature every
31 two years on its activities under this section. The report shall
32 contain a description of each program for which funds have been
33 set aside under this section, the effectiveness of each program in
34 carrying out the intent of the federal and state acts, and an
35 accounting of the amount of set aside funds used.

36 (e) *This section shall become inoperative on July 1, 2014, and,*
37 *as of January 1, 2015, is repealed, unless a later enacted statute,*
38 *that becomes operative on or before January 1, 2015, deletes or*
39 *extends the dates on which it becomes inoperative and is repealed.*

1 *SEC. 124. Section 116762.60 is added to the Health and Safety*
2 *Code, to read:*

3 *116762.60. (a) The board shall, contingent upon receiving*
4 *federal capitalization grant funds, develop and implement a*
5 *program to protect sources of drinking water. In carrying out this*
6 *program, the board shall coordinate with local, state, and federal*
7 *agencies that have public health and environmental management*
8 *programs to ensure an effective implementation of the program*
9 *while avoiding duplication of effort and reducing program costs.*
10 *The program shall include all of the following:*

11 *(1) A source water assessment program to delineate and assess*
12 *the drinking water supplies of public drinking water systems*
13 *pursuant to Section 1453 of the federal act.*

14 *(2) A wellhead protection program to protect drinking water*
15 *wells from contamination pursuant to Section 1428 of the federal*
16 *act.*

17 *(3) Pursuant to Section 1452(k) of the federal act, the board*
18 *shall set aside federal capitalization grant funds sufficient to carry*
19 *out paragraphs (1) and (2) of subdivision (a).*

20 *(b) The board shall set aside federal capitalization grant funds*
21 *to provide assistance to water systems pursuant to Section 1452(k)*
22 *of the federal act for the following source water protection*
23 *activities, to the extent that those activities are proposed:*

24 *(1) To acquire land or a conservation easement if the purpose*
25 *of the acquisition is to protect the source water of the system from*
26 *contamination and to ensure compliance with primary drinking*
27 *water regulations.*

28 *(2) To implement local, voluntary source water protection*
29 *measures to protect source water in areas delineated pursuant to*
30 *Section 1453 of the federal act, in order to facilitate compliance*
31 *with primary drinking water regulations applicable to the water*
32 *system under Section 1412 of the federal act or otherwise*
33 *significantly further the health protection objectives of the federal*
34 *and state acts.*

35 *(3) To carry out a voluntary, incentive-based source water*
36 *quality protection partnership pursuant to Section 1454 of the*
37 *federal act.*

38 *(c) The board shall conduct duly noticed public hearings, public*
39 *workshops, focus groups, or meetings around the state to*
40 *encourage the involvement and active input of public and affected*

1 parties in the development and periodic updating of the source
2 water protection program adopted pursuant to this article. The
3 notices shall contain basic information about the program in an
4 understandable format and shall notify widely representative
5 groups, including, but not limited to, federal, state, and local
6 governmental agencies, water utilities, public interest,
7 environmental, and consumer groups, public health groups, land
8 conservation groups, health care providers, groups representing
9 vulnerable populations, groups representing business and
10 agricultural interests, and members of the general public. In
11 addition, the board shall convene a technical advisory committee
12 and a citizens' advisory committee made up of those representative
13 groups to provide advice and direction on program development
14 and implementation.

15 (d) (1) The board shall submit a report to the Legislature every
16 two years on its activities under this section. The report shall
17 contain a description of each program for which funds have been
18 set aside under this section, the effectiveness of each program in
19 carrying out the intent of the federal and state acts, and an
20 accounting of the amount of set aside funds used.

21 (2) A report submitted pursuant to this subdivision shall be
22 submitted in compliance with Section 9795 of the Government
23 Code.

24 (e) This section shall become operative on July 1, 2014, and is
25 repealed as of January 1 of the next calendar year occurring after
26 the board provides notice to the Legislature and the Secretary of
27 State and posts notice on its Internet Web site that the board has
28 adopted a policy handbook pursuant to Section 116760.43.

29 SEC. 125. Section 116762.60 is added to the Health and Safety
30 Code, to read:

31 116762.60. (a) The board shall, contingent upon receiving
32 federal capitalization grant funds, develop and implement a
33 program to protect sources of drinking water. In carrying out this
34 program, the board shall coordinate with local, state, and federal
35 agencies that have public health and environmental management
36 programs to ensure an effective implementation of the program
37 while avoiding duplication of effort and reducing program costs.
38 The program shall include all of the following:

1 (1) A source water assessment program to delineate and assess
2 the drinking water supplies of public drinking water systems
3 pursuant to Section 1453 of the federal act.

4 (2) A wellhead protection program to protect drinking water
5 wells from contamination pursuant to Section 1428 of the federal
6 act.

7 (3) Pursuant to Section 1452(k) of the federal act, the board
8 shall set aside federal capitalization grant funds sufficient to carry
9 out paragraphs (1) and (2).

10 (b) The board shall set aside federal capitalization grant funds
11 to provide assistance to water systems pursuant to Section 1452(k)
12 of the federal act for the following source water protection
13 activities, to the extent that those activities are proposed:

14 (1) To acquire land or a conservation easement if the purpose
15 of the acquisition is to protect the source water of the system from
16 contamination and to ensure compliance with primary drinking
17 water regulations.

18 (2) To implement local, voluntary source water protection
19 measures to protect source water in areas delineated pursuant to
20 Section 1453 of the federal act, in order to facilitate compliance
21 with primary drinking water regulations applicable to the water
22 system under Section 1412 of the federal act or otherwise
23 significantly further the health protection objectives of the federal
24 and state acts.

25 (3) To carry out a voluntary, incentive-based source water
26 quality protection partnership pursuant to Section 1454 of the
27 federal act.

28 (c) The board shall post a report to its Internet Web site, every
29 two years, on its activities under this section. The report shall
30 contain a description of each program for which funds have been
31 set aside under this section, the effectiveness of each program in
32 carrying out the intent of the federal and state acts, and an
33 accounting of the amount of set aside funds used.

34 (d) This section shall become operative on January 1 of the next
35 calendar year occurring after the board provides notice to the
36 Legislature and the Secretary of State and posts notice on its
37 Internet Web site that the board has adopted a policy handbook
38 pursuant to Section 116760.43.

39 SEC. 126. Section 131110 of the Health and Safety Code is
40 amended to read:

1 131110. (a) The department shall maintain a program of
2 Drinking Water and Environmental Management.

3 (b) *This section shall become inoperative on July 1, 2014, and,*
4 *as of January 1, 2015, is repealed, unless a later enacted statute,*
5 *that becomes operative on or before January 1, 2015, deletes or*
6 *extends the dates on which it becomes inoperative and is repealed.*

7 SEC. 127. Section 131110 is added to the Health and Safety
8 Code, to read:

9 131110. (a) The department shall maintain a program of
10 Environmental Management.

11 (b) *This section shall become operative on July 1, 2014.*

12 SEC. 128. Section 541.5 of the Public Resources Code is
13 amended to read:

14 541.5. (a) The department shall not close, or propose to close,
15 a state park in the 2012–13 or 2013–14 fiscal year. The commission
16 and the department shall recommend all necessary steps to establish
17 a sustainable funding strategy for the department to the Legislature
18 on or before January 1, 2015.

19 (b) There is hereby appropriated twenty million five hundred
20 thousand dollars (\$20,500,000) to the department from the State
21 Parks and Recreation Fund, which shall be available for
22 encumbrance ~~for the 2012–13 and 2013–14 fiscal years, until June~~
23 ~~30, 2016, and for liquidation until June 30, 2018,~~ to be expended
24 as follows:

25 (1) Ten million dollars (\$10,000,000) shall be available to
26 provide for matching funds pursuant to subdivision (c).

27 (2) Ten million dollars (\$10,000,000) shall be available for the
28 department to direct funds to parks that remain at risk of closure
29 or that will keep parks open during the 2012–13 ~~and 2013–14 fiscal~~
30 ~~years. to 2015–16 fiscal years, inclusive.~~ Priority may be given to
31 parks subject to a donor or operating agreement or other contractual
32 arrangement with the department.

33 (3) Up to five hundred thousand dollars (\$500,000) shall be
34 available for the department to pay for ongoing audits and
35 investigations as directed by the Joint Legislative Audit Committee,
36 the office of the Attorney General, the Department of Finance, or
37 other state agency.

38 (c) The department shall match on a dollar-for-dollar basis all
39 financial contributions contributed by a donor pursuant to an
40 agreement for the 2012–13 fiscal year for which the department

received funds as of July 31, 2013, and for agreements entered into in the 2013–14 fiscal year. These matching funds shall be used exclusively in the park unit subject to those agreements.

(d) The department shall notify the Joint Legislative Budget Committee in writing not less than 30 days ~~prior to~~ *before* the expenditure of funds under this section of the funding that shall be expended, the manner of the expenditure, and the recipient of the expenditure.

(e) ~~The prohibition to close, or propose to close, on the closure or proposed closure of a state park in the 2012–13 or 2013–14 fiscal year, pursuant to paragraph (a), does not limit or affect the department’s authority to enter into an operating agreement, pursuant to Section 5080.42, during the 2012–13 or 2013–14 fiscal year, for purposes of the operation of the entirety of a state park during the 2012–13 or 2013–14 fiscal year.~~

SEC. 129. Section 2705 of the Public Resources Code is amended to read:

2705. (a) A city, county, and city and county shall collect a fee from each applicant for a building permit. Each fee shall be equal to a specific amount of the proposed building construction for which the building permit is issued as determined by the local building officials. The fee amount shall be assessed in the following way:

(1) Group R occupancies, as defined in the California Building Code (Part 2 of Title 24 of the California Code of Regulations), one to three stories in height, except hotels and motels, shall be assessed at the rate of ~~ten~~ *thirteen* dollars ~~(\$10)~~ *(\$13)* per one hundred thousand dollars (\$100,000), with appropriate fractions thereof.

(2) All other buildings shall be assessed at the rate of ~~twenty-one~~ *twenty-eight* dollars ~~(\$21)~~ *(\$28)* per one hundred thousand dollars (\$100,000), with appropriate fractions thereof.

(3) The fee shall be the amount assessed under paragraph (1) or (2), depending on building type, or fifty cents (\$0.50), whichever is the higher.

(b) (1) In lieu of the requirements of subdivision (a), a city, county, and city and county may elect to include a rate of ~~ten~~ *thirteen* dollars ~~(\$10)~~ *(\$13)* per one hundred thousand dollars (\$100,000), with appropriate fractions thereof, in its basic building permit fee for any Group R occupancy defined in paragraph (1)

1 of subdivision (a), and a rate of ~~twenty-one~~ *twenty-eight* dollars
2 ~~(\$21)~~ (\$28) per one hundred thousand dollars (\$100,000), with
3 appropriate fractions thereof, for all other building types. A city,
4 county, and city and county electing to collect the fee pursuant to
5 this subdivision need not segregate the fees in a fund separate from
6 any fund into which basic building permit fees are deposited.

7 (2) “Building,” for the purpose of this chapter, is any structure
8 built for the support, shelter, or enclosure of persons, animals,
9 chattels, or property of any kind.

10 (c) (1) A city, county, and city and county may retain up to 5
11 percent of the total amount it collects under subdivision (a) or (b)
12 for data utilization, for seismic education incorporating data
13 interpretations from data of the strong-motion instrumentation
14 program and the seismic hazards mapping program, and, in
15 accordance with paragraph (2), for improving the preparation for
16 damage assessment after strong seismic motion events.

17 (2) A city, county, and city and county may use any funds
18 retained pursuant to this subdivision to improve the preparation
19 for damage assessment in its jurisdiction only after it provides the
20 Department of Conservation with information indicating to the
21 department that data utilization and seismic education activities
22 have been adequately funded.

23 (d) Funds collected pursuant to subdivisions (a) and (b), less
24 the amount retained pursuant to subdivision (c), shall be deposited
25 in the Strong-Motion Instrumentation and Seismic Hazards
26 Mapping Fund, as created by Section 2699.5 to be used exclusively
27 for purposes of this chapter, *Chapter 7.5 (commencing with Section*
28 *2621)*, and Chapter 7.8 (commencing with Section 2690).

29 *SEC. 130. Section 3160 of the Public Resources Code is*
30 *amended to read:*

31 3160. (a) On or before January 1, 2015, the Secretary of the
32 Natural Resources Agency shall cause to be conducted, and
33 completed, an independent scientific study on well stimulation
34 treatments, including, but not limited to, hydraulic fracturing and
35 acid well stimulation treatments. The scientific study shall evaluate
36 the hazards and risks and potential hazards and risks that well
37 stimulation treatments pose to natural resources and public,
38 occupational, and environmental health and safety. The scientific
39 study shall do all of the following:

1 (1) Follow the well-established standard protocols of the
2 scientific profession, including, but not limited to, the use of
3 recognized experts, peer review, and publication.

4 (2) Identify areas with existing and potential conventional and
5 unconventional oil and gas reserves where well stimulation
6 treatments are likely to spur or enable oil and gas exploration and
7 production.

8 (3) (A) Evaluate all aspects and effects of well stimulation
9 treatments, including, but not limited to, the well stimulation
10 treatment, additive and water transportation to and from the well
11 site, mixing and handling of the well stimulation treatment fluids
12 and additives onsite, the use and potential for use of nontoxic
13 additives and the use or reuse of treated or produced water in well
14 stimulation treatment fluids, *and* flowback fluids and *the* handling,
15 treatment, and disposal of flowback fluids and other materials, if
16 any, generated by the treatment. Specifically, the potential for the
17 use of recycled water in well stimulation treatments, including
18 appropriate water quality requirements and available treatment
19 technologies, shall be evaluated. Well stimulation treatments
20 include, but are not limited to, hydraulic fracturing and acid well
21 stimulation treatments.

22 (B) Review and evaluate acid matrix stimulation treatments,
23 including the range of acid volumes applied per treated foot and
24 total acid volumes used in treatments, types of acids, acid
25 concentration, and other chemicals used in the treatments.

26 (4) Consider, at a minimum, atmospheric emissions, including
27 potential greenhouse gas emissions, the potential degradation of
28 air quality, potential impacts on wildlife, native plants, and habitat,
29 including habitat fragmentation, potential water and surface
30 contamination, potential noise pollution, induced seismicity, and
31 the ultimate disposition, transport, transformation, and toxicology
32 of well stimulation treatments, including acid well stimulation
33 fluids, hydraulic fracturing fluids, and waste hydraulic fracturing
34 fluids and acid well stimulation in the environment.

35 (5) Identify and evaluate the geologic features present in the
36 vicinity of a well, including the well bore, that should be taken
37 into consideration in the design of a proposed well stimulation
38 treatment.

39 (6) Include a hazard assessment and risk analysis addressing
40 occupational and environmental exposures to well stimulation

1 treatments, including hydraulic fracturing treatments, hydraulic
2 fracturing treatment-related processes, acid well stimulation
3 treatments, acid well stimulation treatment-related processes, and
4 the corresponding impacts on public health and safety with the
5 participation of the Office of Environmental Health Hazard
6 Assessment.

7 (7) Clearly identify where additional information is necessary
8 to inform and improve the analyses.

9 (b) (1) (A) On or before January 1, 2015, the division, in
10 consultation with the Department of Toxic Substances Control,
11 the State Air Resources Board, the State Water Resources Control
12 Board, the Department of Resources Recycling and Recovery, and
13 any local air districts and regional water quality control boards in
14 areas where well stimulation treatments, including acid well
15 stimulation treatments and hydraulic fracturing—~~treatments~~
16 *treatments*, may occur, shall adopt rules and regulations specific
17 to well stimulation treatments. The rules and regulations shall
18 include, but are not limited to, revisions, as needed, to the rules
19 and regulations governing construction of wells and well casings
20 to ensure integrity of wells, well casings, and the geologic and
21 hydrologic isolation of the oil and gas formation during and
22 following well stimulation treatments, and full disclosure of the
23 composition and disposition of well stimulation fluids, including,
24 but not limited to, hydraulic fracturing fluids, acid well stimulation
25 fluids, and flowback fluids.

26 (B) The rules and regulations shall additionally include
27 provisions for an independent entity or person to perform the
28 notification requirements pursuant to paragraph (6) of subdivision
29 (d), for the operator to provide for baseline and followup water
30 testing upon request as specified in paragraph (7) of subdivision
31 (d).

32 (C) (i) In order to identify the acid matrix stimulation treatments
33 that are subject to this section, the rules and regulations shall
34 establish threshold values for acid volume applied per treated foot
35 of any individual stage of the well or for total acid volume of the
36 treatment, or both, based upon a quantitative assessment of the
37 risks posed by acid matrix stimulation treatments that exceed the
38 specified threshold value or values in order to prevent, as far as
39 possible, damage to life, health, property, and natural resources
40 pursuant to Section 3106.

(ii) On or before January 1, 2020, the division shall review and evaluate the threshold values for acid volume applied per treated foot and total acid volume of the treatment, based upon data collected in the state, for acid matrix stimulation treatments. The division shall revise the values through the regulatory process, if necessary, based upon the best available scientific information, including the results of the independent scientific study pursuant to subparagraph (B) of paragraph (3) of subdivision (a).

(2) Full disclosure of the composition and disposition of well stimulation fluids, including, but not limited to, hydraulic fracturing fluids and acid stimulation treatment fluids, shall, at a minimum, include:

(A) The date of the well stimulation treatment.

(B) A complete list of the names, Chemical Abstract Service (CAS) numbers, and maximum concentration, in percent by mass, of each and every chemical constituent of the well stimulation treatment fluids used. If a CAS number does not exist for a chemical constituent, the well owner or operator may provide another unique identifier, if available.

(C) The trade name, the supplier, concentration, and a brief description of the intended purpose of each additive contained in the well stimulation treatment fluid.

(D) The total volume of base fluid used during the well stimulation treatment, and the identification of whether the base fluid is water suitable for irrigation or domestic purposes, water not suitable for irrigation or domestic purposes, or a fluid other than water.

(E) The source, volume, and specific composition and disposition of all water, including, but not limited to, all water used as base fluid during the well stimulation treatment and recovered from the well following the well stimulation treatment that is not otherwise reported as produced water pursuant to Section 3227. Any repeated reuse of treated or untreated water for well stimulation treatments and well stimulation treatment-related activities shall be identified.

(F) The specific composition and disposition of all well stimulation treatment fluids, including waste fluids, other than water.

(G) Any radiological components or tracers injected into the well as part of, or in order to evaluate, the well stimulation

1 treatment, a description of the recovery method, if any, for those
2 components or tracers, the recovery rate, and specific disposal
3 information for recovered components or tracers.

4 (H) The radioactivity of the recovered well stimulation fluids.

5 (I) The location of the portion of the well subject to the well
6 stimulation treatment and the extent of the fracturing or other
7 modification, if any, surrounding the well induced by the treatment.

8 (c) (1) Through the consultation process described in paragraph
9 (1) of subdivision (b), the division shall collaboratively identify
10 and delineate the existing statutory authority and regulatory
11 responsibility relating to well stimulation treatments and well
12 stimulation treatment-related activities of the Department of Toxic
13 Substances Control, the State Air Resources Board, any local air
14 districts, the State Water Resources Control Board, the Department
15 of Resources Recycling and Recovery, any regional water quality
16 control board, and other public entities, as applicable. This shall
17 specify how the respective authority, responsibility, and notification
18 and reporting requirements associated with well stimulation
19 treatments and well stimulation treatment-related activities are
20 divided among each public entity.

21 (2) On or before January 1, 2015, the division shall enter into
22 formal agreements with the Department of Toxic Substances
23 Control, the State Air Resources Board, any local air districts where
24 well stimulation treatments may occur, the State Water Resources
25 Control Board, the Department of Resources Recycling and
26 Recovery, and any regional water quality control board where well
27 stimulation treatments may occur, clearly delineating respective
28 authority, responsibility, and notification and reporting
29 requirements associated with well stimulation treatments and well
30 stimulation treatment-related activities, including air and water
31 quality monitoring, in order to promote regulatory transparency
32 and accountability.

33 (3) The agreements under paragraph (2) shall specify the
34 appropriate public entity responsible for air and water quality
35 monitoring and the safe and lawful disposal of materials in
36 landfills, include trade secret handling protocols, if necessary, and
37 provide for ready public access to information related to well
38 stimulation treatments and related activities.

39 (4) Regulations, if necessary, shall be revised appropriately to
40 incorporate the agreements under paragraph (2).

(d) (1) Notwithstanding any other law or regulation, prior to performing a well stimulation treatment on a well, the operator shall apply for a permit to perform a well stimulation treatment with the supervisor or district deputy. The well stimulation treatment permit application shall contain the pertinent data the supervisor requires on printed forms supplied by the division or on other forms acceptable to the supervisor. The information provided in the well stimulation treatment permit application shall include, but is not limited to, the following:

(A) The well identification number and location.

(B) The time period during which the well stimulation treatment is planned to occur.

(C) A water management plan that shall include all of the following:

(i) An estimate of the amount of water to be used in the treatment. Estimates of water to be recycled following the well stimulation treatment may be included.

(ii) The anticipated source of the water to be used in the treatment.

(iii) The disposal method identified for the recovered water in the flowback fluid from the treatment that is not produced water included in the statement pursuant to Section 3227.

(D) A complete list of the names, Chemical Abstract Service (CAS) numbers, and estimated concentrations, in percent by mass, of each and every chemical constituent of the well stimulation fluids anticipated to be used in the treatment. If a CAS number does not exist for a chemical constituent, the well owner or operator may provide another unique identifier, if available.

(E) The planned location of the well stimulation treatment on the well bore, the estimated length, height, and direction of the induced fractures or other planned modification, if any, and the location of existing wells, including plugged and abandoned wells, that may be impacted by these fractures and modifications.

(F) A groundwater monitoring plan. Required groundwater monitoring in the vicinity of the well subject to the well stimulation treatment shall be satisfied by one of the following:

(i) The well is located within the boundaries of an existing oil or gas field-specific or regional monitoring program developed pursuant to Section 10783 of the Water Code.

(ii) The well is located within the boundaries of an existing oil or gas field-specific or regional monitoring program developed and implemented by the well owner or operator meeting the model criteria established pursuant to Section 10783 of the Water Code.

(iii) Through a well-specific monitoring plan implemented by the owner or operator meeting the model criteria established pursuant to Section 10783 of the Water Code, and submitted to the appropriate regional water board for review.

(G) The estimated amount of treatment-generated waste materials that are not reported in subparagraph (C) and an identified disposal method for the waste materials.

(2) (A) At the supervisor's discretion, and if applied for concurrently, the well stimulation treatment permit described in this section may be combined with the well drilling and related operation notice of intent required pursuant to Section 3203 into a single combined authorization. The portion of the combined authorization applicable to well stimulation shall meet all of the requirements of a well stimulation treatment permit pursuant to this section.

~~(B) Where the supervisor determines that the activities proposed in the well stimulation treatment permit or the combined authorization have met all of the requirements of Division 13 (commencing with Section 21000), and have been fully described, analyzed, evaluated, and mitigated, no additional review or mitigation shall be required.~~

~~(C)~~

~~(B)~~ The time period available for approval of the portion of the combined authorization applicable to well stimulation is subject to the terms of this section, and not Section 3203.

(3) (A) The supervisor or district deputy shall review the well stimulation treatment permit application and may approve the permit if the application is complete. An incomplete application shall not be approved.

(B) A well stimulation treatment or repeat well stimulation treatment shall not be performed on any well without a valid permit that the supervisor or district deputy has approved.

(C) In considering the permit application, the supervisor shall evaluate the quantifiable risk of the well stimulation treatment.

(D) In the absence of state implementation of a regional groundwater monitoring program pursuant to paragraph (1) of

subdivision (h) of Section 10783 of the Water Code, the supervisor or district deputy may approve a permit application for well stimulation treatment pursuant to subparagraph (A) prior to the approval by the State Water Resources Control Board or a regional water quality control board of an area-specific groundwater monitoring program developed by an owner or operator pursuant to paragraph (2) of subdivision (h) of Section 10783 of the Water Code, but the well stimulation treatment shall not commence until the state board or the regional board approves the area-specific groundwater monitoring program.

(4) The well stimulation treatment permit shall expire one year from the date that the permit is issued.

(5) Within five business days of issuing a permit to perform a well stimulation treatment, the division shall provide a copy of the permit to the appropriate regional water quality control board or boards and to the local planning entity where the well, including its subsurface portion, is located. The division shall also post the permit on the publicly accessible portion of its Internet Web site within five business days of issuing a permit.

(6) (A) It is the policy of the state that a copy of the approved well stimulation treatment permit and information on the available water sampling and testing be provided to every tenant of the surface property and every surface property owner or authorized agent of that owner whose property line location is one of the following:

(i) Within a 1,500 foot radius of the wellhead.

(ii) Within 500 feet from the horizontal projection of all subsurface portions of the designated well to the surface.

(B) (i) The well owner or operator shall identify the area requiring notification and shall contract with an independent entity or person who is responsible for, and shall perform, the notification required pursuant to subparagraph (A).

(ii) The independent entity or person shall identify the individuals notified, the method of notification, the date of the notification, a list of those notified, and shall provide a list of this information to the division.

(iii) The performance of the independent entity or persons shall be subject to review and audit by the division.

1 (C) A well stimulation treatment shall not commence before 30
2 calendar days after the permit copies pursuant to subparagraph (A)
3 are provided.

4 (7) (A) A property owner notified pursuant to paragraph (6)
5 may request water quality sampling and testing from a designated
6 qualified contractor on any water well suitable for drinking or
7 irrigation purposes and on any surface water suitable for drinking
8 or irrigation purposes as follows:

9 (i) Baseline measurements prior to the commencement of the
10 well stimulation treatment.

11 (ii) Followup measurements after the well stimulation treatment
12 on the same schedule as the pressure testing of the well casing of
13 the treated well.

14 (B) The State Water Resources Control Board shall designate
15 one or more qualified independent third-party contractor or
16 contractors that adhere to board-specified standards and protocols
17 to perform the water sampling and testing. The well owner or
18 operator shall pay for the sampling and testing. The sampling and
19 testing performed shall be subject to audit and review by the State
20 Water Resources Control Board or applicable regional water quality
21 control board, as appropriate.

22 (C) The results of the water testing shall be provided to the
23 division, appropriate regional water board, and the property owner
24 or authorized agent. A tenant notified pursuant to paragraph (6)
25 shall receive information on the results of the water testing to the
26 extent authorized by his or her lease and, where the tenant has
27 lawful use of the ground or surface water identified in subparagraph
28 (A), the tenant may independently contract for similar groundwater
29 or surface water testing.

30 (8) The division shall retain a list of the entities and property
31 owners notified pursuant to paragraphs (5) and (6).

32 (9) The operator shall provide notice to the division at least 72
33 hours prior to the actual start of the well stimulation treatment in
34 order for the division to witness the treatment.

35 (e) The Secretary of the Natural Resources Agency shall notify
36 the Joint Legislative Budget Committee and the chairs of the
37 Assembly Natural Resources, Senate Environmental Quality, and
38 Senate Natural Resources and Water Committees on the progress
39 of the independent scientific study on well stimulation and related
40 activities. The first progress report shall be provided to the

1 ~~Legislature~~ *committees* on or before April 1, 2014, and progress
2 reports shall continue every four months thereafter until the
3 independent study is completed, including a peer review of the
4 study by independent scientific experts.

5 (f) If a well stimulation treatment is performed on a well, a
6 supplier that performs any part of the stimulation or provides
7 additives directly to the operator for a well stimulation treatment
8 shall furnish the operator with information suitable for public
9 disclosure needed for the operator to comply with subdivision (g).
10 This information shall be provided as soon as possible but no later
11 than 30 days following the conclusion of the well stimulation
12 treatment.

13 (g) (1) Within 60 days following cessation of a well stimulation
14 treatment on a well, the operator shall post or cause to have posted
15 to an Internet Web site designated or maintained by the division
16 and accessible to the public, all of the well stimulation fluid
17 composition and disposition information required to be collected
18 pursuant to rules and regulations adopted under subdivision (b),
19 including well identification number and location. This shall
20 include the collected water quality data, which the operator shall
21 report electronically to the State Water Resources Control Board.

22 (2) (A) The division shall commence the process to develop
23 an Internet Web site for operators to report the information required
24 under this section. The Internet Web site shall be capable of
25 organizing the reported information in a format, such as a
26 spreadsheet, that allows the public to easily search and aggregate,
27 to the extent practicable, each type of information required to be
28 collected pursuant to subdivision (b) using search functions on
29 that Internet Web site. The Internet Web site shall be functional
30 within two years of the Department of Technology's approval of
31 a Feasibility Study Report or appropriation authority to fund the
32 development of the Internet Web site, whichever occurs latest, but
33 no later than January 1, 2016.

34 (B) The division may direct reporting to an alternative Internet
35 Web site developed by the Ground Water Protection Council and
36 the Interstate Oil and Gas Compact Commission in the interim
37 until such time as approval or appropriation authority pursuant to
38 subparagraph (A) occur. Prior to the implementation of the
39 division's Internet Web site, the division shall obtain the data
40 reported by operators to the alternative Internet Web site and make

1 it available in an organized electronic format to the public no later
2 than 15 days after it is reported to the alternative *Internet* Web
3 site.

4 (h) The operator is responsible for compliance with this section.

5 (i) (1) All geologic features within a distance reflecting an
6 appropriate safety factor of the fracture zone for well stimulation
7 treatments that fracture the formation and that have the potential
8 to either limit or facilitate the migration of fluids outside of the
9 fracture zone shall be identified and added to the well history.
10 Geologic features include seismic faults identified by the California
11 Geologic Survey.

12 (2) For the purposes of this section, the “fracture zone” is
13 defined as the volume surrounding the well bore where fractures
14 were created or enhanced by the well stimulation treatment. The
15 safety factor shall be at least five and may vary depending upon
16 geologic knowledge.

17 (3) The division shall review the geologic features important to
18 assessing well stimulation treatments identified in the independent
19 study pursuant to paragraph (5) of subdivision (a). Upon
20 completion of the review, the division shall revise the regulations
21 governing the reporting of geologic features pursuant to this
22 subdivision accordingly.

23 (j) (1) Public disclosure of well stimulation treatment fluid
24 information claimed to contain trade secrets is governed by Section
25 1060 of the Evidence Code, or the Uniform Trade Secrets Act
26 (Title 5 (commencing with Section 3426) of Part 1 of Division 4
27 of the Civil Code), and the California Public Records Act (Chapter
28 3.5 (commencing with Section 6250) of Division 7 of Title 1 of
29 the Government Code).

30 (2) Notwithstanding any other law or regulation, none of the
31 following information shall be protected as a trade secret:

32 (A) The identities of the chemical constituents of additives,
33 including CAS identification numbers.

34 (B) The concentrations of the additives in the well stimulation
35 treatment fluids.

36 (C) Any air or other pollution monitoring data.

37 (D) Health and safety data associated with well stimulation
38 treatment fluids.

39 (E) The chemical composition of the flowback fluid.

1 (3) If a trade secret claim is invalid or invalidated, the division
2 shall release the information to the public by revising the
3 information released pursuant to subdivision (g). The supplier shall
4 notify the division of any change in status within 30 days.

5 (4) (A) If a supplier believes that information regarding a
6 chemical constituent of a well stimulation fluid is a trade secret,
7 the supplier shall nevertheless disclose the information to the
8 division in conjunction with a well stimulation treatment permit
9 application, if not previously disclosed, within 30 days following
10 cessation of a well stimulation on a well, and shall notify the
11 division in writing of that belief.

12 (B) A trade secret claim shall not be made after initial disclosure
13 of the information to the division.

14 (C) To comply with the public disclosure requirements of this
15 section, the supplier shall indicate where trade secret information
16 has been withheld and provide substitute information for public
17 disclosure. The substitute information shall be a list, in any order,
18 of the chemical constituents of the additive, including CAS
19 identification numbers. The division shall review and approve the
20 supplied substitute information.

21 (D) This subdivision does not permit a supplier to refuse to
22 disclose the information required pursuant to this section to the
23 division.

24 (5) In order to substantiate the trade secret claim, the supplier
25 shall provide information to the division that shows all of the
26 following:

27 (A) The extent to which the trade secret information is known
28 by the supplier's ~~employees~~, *employees and* others involved in the
29 supplier's business and outside the supplier's business.

30 (B) The measures taken by the supplier to guard the secrecy of
31 the trade secret information.

32 (C) The value of the trade secret information to the supplier and
33 its competitors.

34 (D) The amount of effort or money the supplier expended
35 developing the trade secret information and the ease or difficulty
36 with which the trade secret information could be acquired or
37 duplicated by others.

38 (6) If the division determines that the information provided in
39 support of a request for trade secret protection pursuant to
40 paragraph (5) is incomplete, the division shall notify the supplier

1 and the supplier shall have 30 days to complete the submission.
2 An incomplete submission does not meet the substantive criteria
3 for trade secret designation.

4 (7) If the division determines that the information provided in
5 support of a request for trade secret protection does not meet the
6 substantive criteria for trade secret designation, the department
7 shall notify the supplier by certified mail of its determination. The
8 division shall release the information to the public, but not earlier
9 than 60 days after the date of mailing the determination, unless,
10 prior to the expiration of the 60-day period, the supplier obtains
11 an action in an appropriate court for a declaratory judgment that
12 the information is subject to protection or for a preliminary
13 injunction prohibiting disclosure of the information to the public
14 and provides notice to the division of the court order.

15 (8) The supplier is not required to disclose trade secret
16 information to the operator.

17 (9) Upon receipt of a request for the release of trade secret
18 information to the public, the following procedure applies:

19 (A) The division shall notify the supplier of the request in
20 writing by certified mail, return receipt requested.

21 (B) The division shall release the information to the public, but
22 not earlier than 60 days after the date of mailing the notice of the
23 request for information, unless, prior to the expiration of the 60-day
24 period, the supplier obtains an action in an appropriate court for a
25 declaratory judgment that the information is subject to protection
26 or for a preliminary injunction prohibiting disclosure of the
27 information to the public and provides notice to the division of
28 that action.

29 (10) The division shall develop a timely procedure to provide
30 trade secret information in the following circumstances:

31 (A) To an officer or employee of the division, the state, local
32 governments, including, but not limited to, local air districts, or
33 the United States, in connection with the official duties of that
34 officer or employee, to a health professional under any law for the
35 protection of health, or to contractors with the division or other
36 government entities and their employees if, in the opinion of the
37 division, disclosure is necessary and required for the satisfactory
38 performance of a contract, for performance of work, or to protect
39 health and safety.

1 (B) To a health professional in the event of an emergency or to
2 diagnose or treat a patient.

3 (C) In order to protect public health, to any health professional,
4 toxicologist, or epidemiologist who is employed in the field of
5 public health and who provides a written statement of need. The
6 written statement of need shall include the public health purposes
7 of the disclosure and shall explain the reason the disclosure of the
8 specific chemical and its concentration is required.

9 (D) A health professional may share trade secret information
10 with other persons as may be professionally necessary, in order to
11 diagnose or treat a patient, including, but not limited to, the patient
12 and other health professionals, subject to state and federal laws
13 restricting disclosure of medical records including, but not limited
14 to, Chapter 2 (commencing with Section 56.10) of Part 2.6 of
15 Division 1 of the Civil Code.

16 (E) For purposes of this paragraph, "health professional" means
17 any person licensed or certified pursuant to Division 2
18 (commencing with Section 500) of the Business and Professions
19 Code, the Osteopathic Initiative Act, the Chiropractic Initiative
20 Act, or the Emergency Medical Services System and the
21 Prehospital Emergency Medical Care Personnel Act (Division 2.5
22 (commencing with Section 1797) of the Health and Safety Code).

23 (F) A person in possession of, or access to, confidential trade
24 secret information pursuant to the provisions of this subdivision
25 may disclose this information to any person who is authorized to
26 receive it. A written confidentiality agreement shall not be required.

27 (k) A well granted confidential status pursuant to Section 3234
28 shall not be required to disclose well stimulation treatment fluid
29 information pursuant to subdivision (g) until the confidential status
30 of the well ceases. Notwithstanding the confidential status of a
31 well, it is public information that a well will be or has been subject
32 to a well stimulation treatment.

33 (l) The division shall perform random periodic spot check
34 inspections to ensure that the information provided on well
35 stimulation treatments is accurately reported, including that the
36 estimates provided prior to the commencement of the well
37 stimulation treatment are reasonably consistent with the well
38 history.

39 (m) Where the division shares jurisdiction over a well or the
40 well stimulation treatment on a well with a federal entity, the

1 division's rules and regulations shall apply in addition to all
2 applicable federal laws and regulations.

3 (n) This article does not relieve the division or any other agency
4 from complying with any other provision of existing laws,
5 regulations, and orders.

6 (o) Well stimulation treatments used for routine maintenance
7 of wells associated with underground storage facilities where
8 natural gas is injected into and withdrawn from depleted or partially
9 depleted oil or gas reservoirs pursuant to subdivision (a) of Section
10 3403.5 are not subject to this section.

11 *SEC. 131. Section 3161 of the Public Resources Code is*
12 *amended to read:*

13 3161. (a) The division shall finalize~~and implement~~ the
14 regulations governing this article on or before January 1, 2015.
15 *Notwithstanding any other laws, the regulations shall become*
16 *effective on July 1, 2015.*

17 (b) The division shall allow, until regulations~~governing this~~
18 ~~article specified in subdivision (b) of Section 3160~~ are finalized
19 and implemented, and upon written notification by an operator,
20 all of the activities defined in Section 3157, provided all of the
21 following conditions are met:

22 (1) The owner or operator certifies compliance with *paragraph*
23 ~~(2) of subdivision (b) of, subparagraphs (A) to (F), inclusive, of~~
24 ~~paragraph (1) and paragraphs (6) (1), (6), and (7) of subdivision~~
25 ~~(d) of, and paragraph (1) of subdivision (g) of, Section 3160.~~

26 (2) The owner or operator~~provides~~ *shall provide* a complete
27 well history, incorporating the information required by Section
28 3160, to the division on or before March 1, 2015.

29 (3) (A) The division~~conducts~~ *commences the preparation of*
30 an environmental impact report (EIR) pursuant to the California
31 Environmental Quality Act (Division 13 (commencing with Section
32 21000)), ~~in order~~ to provide the public with detailed information
33 regarding any potential environmental impacts of well stimulation
34 in the state.

35 ~~(4)~~
36 (B) Any environmental review conducted by the division shall
37 fully comply with~~all~~ *both* of the following requirements:

38 ~~(A)~~
39 (i) The EIR shall be certified by the division as the lead agency,
40 no later than July 1, 2015.

~~(B)~~

(ii) The EIR shall address the issue of activities that may be conducted as defined in Section 3157 and that may occur at oil wells in the state existing prior to, and after, ~~the effective date of this section.~~ *January 1, 2014.*

~~(C) The EIR shall not conflict with an EIR conducted by a local lead agency that is certified on or before July 1, 2015. Nothing in this section prohibits~~ *This paragraph does not prohibit* a local lead agency from conducting its own EIR.

~~(5)~~

(4) The division ensures that all activities pursuant to this section fully conform with this article and other applicable provisions of law on or before December 31, 2015, through a permitting process.

~~(6)~~

(c) The division has the emergency regulatory authority to implement the purposes of this section. *Notwithstanding Section 11349.6 of the Government Code or other laws, an emergency regulation adopted pursuant to this subdivision implementing subdivision (b) shall be filed with, but shall not be disapproved by, the Office of Administrative Law, and shall remain in effect until revised by the director or July 1, 2015, whichever is earlier.*

(d) *This section does not limit the authority of the division to take appropriate action pursuant to subdivision (a) of Section 3106.*

SEC. 132. Section 4629.5 of the Public Resources Code is amended to read:

~~4629.5. (a) (1) On and after January 1, 2013, there~~ *There* is hereby imposed an assessment on a person who purchases a lumber product or an engineered wood product for the storage, use, or other consumption in this state, at the rate of 1 percent of the sales price.

(2) A retailer shall charge the person the amount of the assessment as a charge that is separate from, and not included in, any other fee, charge, or other amount paid by the purchaser.

(3) The retailer shall collect the assessment from the person at the time of sale, and may retain ~~an amount equal to the amount of reimbursement, as determined by the State Board of Equalization pursuant to regulations~~ *reimbursement pursuant to Sections 2000 and 2001 of Title 18 of the California Code of Regulations, as approved by the State Board of Equalization at its September 10,*

1 2013, meeting, for ~~any~~ startup costs associated with the collection
2 of the assessment, to be taken on the first return or next consecutive
3 returns until the entire reimbursement amount is retained. ~~For~~
4 ~~purposes of this paragraph, the State Board of Equalization may~~
5 ~~adopt emergency regulations pursuant to Section 11346.1 of the~~
6 ~~Government Code. The adoption of any regulation pursuant to this~~
7 ~~paragraph shall be deemed to be an emergency and necessary for~~
8 ~~the immediate preservation of the public peace, health, and safety,~~
9 ~~and general welfare.~~

10 (b) The retailer shall separately state the amount of the
11 assessment imposed under this section on the sales receipt given
12 by the retailer to the person at the time of sale.

13 (c) The State Board of Equalization shall administer and collect
14 the assessment imposed by this section pursuant to the Fee
15 Collection Procedures Law (Part 30 (commencing with Section
16 55001) of Division 2 of the Revenue and Taxation Code) with
17 those changes as may be necessary to conform to ~~the provisions~~
18 ~~of~~ this article. For purposes of this section, the references in the
19 Fee Collection Procedures Law to “fee” shall include the
20 assessment imposed by this section.

21 (d) (1) The assessment is required to be collected by a retailer
22 and any amount unreturned to the person who paid an amount in
23 excess of the assessment, but was collected from the person under
24 the representation by the retailer that it was owed as an assessment,
25 constitutes debts owed by the retailer to this state.

26 (2) ~~Every~~ A person who purchases a lumber product or an
27 engineered wood product for storage, use, or other consumption
28 in this state is liable for the assessment until it has been paid to
29 this state, except that payment to a retailer relieves the person from
30 further liability for the assessment. Any assessment collected from
31 a person that has not been remitted to the State Board of
32 Equalization shall be a debt owed to the state by the retailer
33 required to collect and remit the assessment. ~~Nothing in this part~~
34 ~~shall~~ *This part does not* impose any obligation upon a retailer to
35 take any legal action to enforce the collection of the assessment
36 imposed by this section.

37 (e) Except as provided in paragraph (3) of subdivision (a), the
38 State Board of Equalization may prescribe, adopt, and enforce
39 regulations relating to the administration and enforcement of this

1 section, including, but not limited to, collections, reporting, refunds,
2 and appeals.

3 (f) (1) The assessment imposed by this section is due and
4 payable to the State Board of Equalization quarterly on or before
5 the last day of the month next succeeding each quarterly period.

6 (2) On or before the last day of the month following each
7 quarterly period, a return for the preceding quarterly period shall
8 be filed with the State Board of Equalization using electronic
9 media, in the form prescribed by the State Board of Equalization.
10 Returns shall be authenticated in a form or pursuant to methods,
11 as prescribed by the State Board of Equalization.

12 (g) For purposes of this section, all of the following shall apply:

13 (1) "Purchase" has the same meaning as that term is defined in
14 Section 6010 of the Revenue and Taxation Code.

15 (2) "Retailer" has the same meaning as that term is defined in
16 Section 6015 of the Revenue and Taxation Code.

17 (3) "Sales price" has the same meaning as that term is defined
18 in Section 6011 of the Revenue and Taxation Code.

19 (4) "Storage" has the same meaning as that term is defined in
20 Section 6008 of the Revenue and Taxation Code.

21 (5) "Use" has the same meaning as that term is defined in
22 Section 6009 of the Revenue and Taxation Code.

23 (h) (1) ~~Every~~ A person required to pay the assessment imposed
24 under this article shall register with the State Board of Equalization.
25 Every application for registration shall be made in a form
26 prescribed by the State Board of Equalization and shall set forth
27 the name under which the applicant transacts or intends to transact
28 business, the location of ~~his or her~~ *the person's* place or places of
29 business, and ~~such any~~ *any* other information ~~as~~ *that* the State Board
30 of Equalization may require. An application for registration shall
31 be authenticated in a form or pursuant to methods as may be
32 prescribed by the State Board of Equalization.

33 (2) An application for registration filed pursuant to this section
34 may be filed using electronic media as prescribed by the State
35 Board of Equalization.

36 (3) Electronic media includes, but is not limited to, computer
37 modem, magnetic media, optical disc, facsimile machine, or
38 telephone.

39 *SEC. 133. Section 4629.6 of the Public Resources Code is*
40 *amended to read:*

1 4629.6. Moneys deposited in the fund shall, upon appropriation
2 by the Legislature, only be expended for the following purposes:

3 (a) To reimburse the State Board of Equalization for its
4 administrative costs associated with the administration, collection,
5 audit, and issuance of refunds related to the lumber products and
6 engineered wood assessment established pursuant to Section
7 4629.5.

8 (b) To pay refunds issued pursuant to Part 30 (commencing
9 with Section 55001) of Division 2 of the Revenue and Taxation
10 Code.

11 (c) To support the activities and costs of the department, the
12 Department of Conservation, the Department of Fish and ~~Game~~
13 *Wildlife*, the State Water Resources Control Board, and regional
14 water quality control boards associated with the review of projects
15 or permits necessary to conduct timber operations. On or after July
16 1, 2013, except for fees applicable for fire prevention or protection
17 within state responsibility area classified lands or timber yield
18 assessments, no currently authorized or required fees shall be
19 charged by the agencies listed in this subdivision for activities or
20 costs associated with the review of a project, inspection and
21 oversight of projects, and permits necessary to conduct timber
22 operations of those departments and boards.

23 (d) For transfer to the department's Forest Improvement
24 Program, upon appropriation by the Legislature, for forest resources
25 improvement grants and projects administered by the department
26 pursuant to Chapter 1 (commencing with Section 4790) and
27 Chapter 2 (commencing with Section 4799.06) of Part 2 of Division
28 4.

29 (e) To fund existing restoration grant programs, *with priority*
30 *given to the Fisheries Restoration Grant Program administered*
31 *by the Department of Fish and Wildlife and grant programs*
32 *administered by state conservancies.*

33 (f) (1) *As a loan to the Department of Fish and Wildlife for*
34 *activities to address environmental damage occurring on forest*
35 *lands resulting from marijuana cultivation. Not more than five*
36 *hundred thousand dollars (\$500,000) may be loaned from the fund*
37 *in a fiscal year pursuant to this paragraph. This paragraph shall*
38 *become inoperative on July 1, 2017.*

39 (2) *Any funds deposited into the Timber Regulation and Forest*
40 *Restoration Fund pursuant to subdivision (d) or (f) of Section*

1 *12025 of the Fish and Game Code shall be credited toward loan*
2 *repayment.*

3 *(3) Moneys from the General Fund shall not be used to repay*
4 *a loan authorized pursuant to this subdivision.*

5 ~~(f)~~

6 *(g) To the department, upon appropriation by the Legislature,*
7 *for fuel treatment grants and projects pursuant to authorities under*
8 *the Wildland Fire Protection and Resources Management Act of*
9 *1978 (Article 1 (commencing with Section 4461) of Chapter 7 of*
10 *Part 2 of Division 4).*

11 ~~(g)~~

12 *(h) To the department, upon appropriation by the Legislature,*
13 *to provide grants to local agencies responsible for fire protection,*
14 *qualified nonprofits, recognized tribes, local and state governments,*
15 *and resources conservation districts, undertaken on a state*
16 *responsibility area (SRA) or on wildlands not in an SRA that pose*
17 *a threat to the SRA, to reduce the costs of wildland fire suppression,*
18 *reduce greenhouse gas emissions, promote adaptation of forested*
19 *landscapes to changing climate, improve forest health, and protect*
20 *homes and communities.*

21 *SEC. 134. Section 4629.7 of the Public Resources Code is*
22 *amended to read:*

23 *4629.7. All grants made pursuant to subdivisions ~~(f)~~ (g) and*
24 *~~(g)~~ (h) of Section 4629.6 shall fund activities that do any of the*
25 *following, in order of priority:*

26 *(a) Improve forest health.*

27 *(b) Promote climate mitigation strategies included in the*
28 *California Global Warming Solutions Act of 2006 (Division 25.5*
29 *(commencing with Section 38500) of the Health and Safety Code)*
30 *scoping plan for the forest sector, as adopted by the State Air*
31 *Resources Control Board, or as amended through subsequent*
32 *actions of that board.*

33 *(c) Promote climate change adaptation strategies for the forest*
34 *sector, as adopted by the Natural Resources Agency in the*
35 *California Climate Adaptation Strategy.*

36 *SEC. 135. Section 4629.8 of the Public Resources Code is*
37 *amended to read:*

38 *4629.8. (a) Funds deposited in the Timber Regulation and*
39 *Forest Restoration Fund shall be appropriated in accordance with*
40 *the following priorities:*

1 (1) First priority shall be for funding associated with the
2 administration and delivery of responsibilities identified in
3 subdivisions (a) to (c), inclusive, of Section 4629.6.

4 (2) Only after paragraph (1) is funded, the second priority shall
5 be, if deposits are sufficient in future years to maintain the fund,
6 by 2016, at a minimum reserve of four million dollars (\$4,000,000),
7 for use and appropriation by the Legislature in years during which
8 revenues to the account are projected to fall short of the ongoing
9 budget allocations for support of the activities identified in
10 paragraph (1).

11 (3) Only after paragraphs (1) and (2) are funded, the third
12 priority shall be in support of activities designated in subdivisions
13 (d) ~~and (e)~~, (e), and (f) of Section 4629.6.

14 (4) Only after paragraphs (1), (2), and (3) are funded, the fourth
15 priority shall be to support the activities designated in subdivisions
16 (f) (g) and ~~(g)~~ (h) of Section 4629.6.

17 (b) ~~No funds shall~~ *Funds shall not* be used to pay for or
18 reimburse any requirements, including mitigation of a project
19 proponent or applicant, as a condition of any permit.

20 *SEC. 136. Section 5009 of the Public Resources Code is*
21 *amended to read:*

22 5009. The State ~~park contingent fund~~ *Park Contingent Fund*
23 is continued in existence. All moneys collected or received from
24 ~~gifts or contractual agreements, donations, gifts, bequests, or from~~
25 ~~municipal or county local government appropriations or donations~~
26 ~~for improvements or additions to the State state park system system,~~
27 shall be deposited in the State ~~treasury~~ *Treasury* to the credit of
28 the contingent fund. All moneys ~~so~~ deposited shall be used for the
29 ~~improvement~~ *improvement, maintenance, operation, or*
30 *administration of State state parks, or the acquisition of additional*
31 *lands and properties for the State state park system, in accordance*
32 *with the terms of the agreement, donation, gift, bequest or*
33 ~~municipal or county bequest, or local government appropriation~~
34 ~~or donation~~ from which the moneys are derived.

35 *SEC. 137. Section 5010.6 of the Public Resources Code is*
36 *amended to read:*

37 5010.6. (a) For purposes of this section, “subaccount” means
38 the State Parks Revenue Incentive Subaccount created pursuant
39 to this section.

(b) The State Parks Revenue Incentive Subaccount is hereby created within the State Parks and Recreation Fund and the Controller shall annually transfer ~~fifteen million three hundred forty thousand dollars (\$15,340,000)~~ *four million three hundred forty thousand dollars (\$4,340,000)* from the State Parks and Recreation Fund to the subaccount.

(c) Notwithstanding Section 13340 of the Government Code, the funds in the subaccount are hereby continuously appropriated to the department ~~to create incentives for activities, programs, and projects, including, but not limited to, capital outlay projects, that are consistent with the mission of the department and that generate revenue, except the department shall not expend from the subaccount more than eleven million dollars (\$11,000,000) annually pursuant to Section 5003:~~ *increase the department's capacity to generate revenue and to implement the revenue generation program developed pursuant to Section 5010.7. Expenditures from the subaccount may include expenditures for staffing entry points, including department employees, seasonal employees, state and local conservation corps, individuals qualified pursuant to Chapter 0908 of the Department Operations Manual, and employees of organizations with agreements with state parks pursuant to Sections 513, 5009.1, 5009.3, and 5080. Activities, programs, and projects funded by the subaccount shall each include all of the following:*

- (1) A clear description of the proposed use of funds.*
- (2) A timeframe for implementation of the activity, program, or project.*
- (3) A projection of revenues, including annual income, fees, and projected usage rates.*
- (4) A projection of costs, including design, planning, construction, operation, staff, maintenance, marketing, and information technology.*
- (5) A market analysis demonstrating demand for the activity, project, or program.*
- (6) A projected rate of return on the investment.*

(d) The Office of State Audits and Evaluations shall review the ~~activities~~ *activities, programs, and projects* funded from the subaccount pursuant to subdivision (c) to ensure appropriate internal controls are in place. The department shall reimburse the

1 Office of State Audits and Evaluations from the subaccount for
2 any costs related to the review.

3 (e) The revenue generated from *activities, programs, and*
4 *projects funded by the subaccount shall be deposited in the*
5 *subaccount and are continuously appropriated for expenditure by*
6 *the department in accordance with the following: pursuant to*
7 *subdivisions (c) and (d) of Section 5010.7.*

8 (1) ~~At least 50 percent of the revenue generated shall be~~
9 ~~expended in the district of the department that earned that revenue,~~
10 ~~as an incentive for revenue generation.~~

11 (2) ~~The remaining revenue may be expended by the department~~
12 ~~pursuant to subdivision (c), including, but not limited to, for~~
13 ~~expenditure pursuant to Section 5003.~~

14 (f) The funds in the subaccount shall be available for
15 encumbrance and expenditure until June 30, ~~2014, 2019,~~ and for
16 liquidation until June 30, ~~2016. 2021.~~

17 (g) This section shall become inoperative on June 30, ~~2016,~~
18 ~~2021,~~ and, as of January 1, ~~2017, 2022,~~ is repealed, unless a later
19 enacted statute, that becomes operative on or before January 1,
20 ~~2017, 2022,~~ deletes or extends the dates on which it becomes
21 inoperative and is repealed.

22 *SEC. 138. Section 5010.6.5 of the Public Resources Code is*
23 *amended to read:*

24 5010.6.5. On July 1, ~~2016, 2021,~~ the Controller shall transfer
25 any unexpended funds remaining in the State Parks Revenue
26 Incentive Subaccount created pursuant to Section 5010.6 to the
27 State Parks and Recreation Fund.

28 *SEC. 139. Section 5010.7 of the Public Resources Code is*
29 *amended to read:*

30 5010.7. (a) The department shall develop a revenue generation
31 program as an essential component of a long-term sustainable park
32 funding strategy. On or before ~~October 1, 2012,~~ the department
33 ~~shall assign a two-year revenue generation target to each district~~
34 ~~under the control of the department. The revenue target may be~~
35 ~~amended annually for subsequent years, beginning in the 2015–16~~
36 ~~fiscal year July 1, 2014, and annually thereafter, the department~~
37 ~~shall assign a revenue generation target to each district under the~~
38 ~~control of the department. The department shall develop guidelines~~
39 ~~for districts to report the use of funds generated by the revenue~~

1 generation program, and shall post information and copies of the
2 reports on its Internet Web site.

3 (b) The California State Park Enterprise Fund is hereby created
4 in the State Treasury as a working capital fund, and the revenue
5 shall be available to the department upon appropriation by the
6 ~~Legislature, for the expenditures for the purposes specified in this~~
7 ~~section~~ *Legislature for capital outlay or support expenditures for*
8 *revenue generating investments in state parks. These investments*
9 *may include, but are not limited to, planning and implementation*
10 *of a statewide electronic fee collection system that includes*
11 *installation of modern fee collection equipment and technologies*
12 *to enhance collection of state park users fees and that will enable*
13 *park users to pay fees with commonly used forms of electronic*
14 *fund transfers, including, but not limited to, credit and debit card*
15 *transactions, and other park revenue generating projects, and shall*
16 *be available for encumbrance and expenditure until June 30, 2014,*
17 *2019, and for liquidation until June 30, 2016. 2021.*

18 (1) *The department shall prepare guidelines for districts to*
19 *apply for funds for capital projects that are consistent with this*
20 *subdivision.*

21 (2) *The guidelines prepared pursuant to this paragraph shall*
22 *require all of the following:*

23 (A) *A clear description of the proposed use of funds.*

24 (B) *A timeframe of implementation of the capital project.*

25 (C) *A projection of revenue, including annual income, fees, and*
26 *projected usage rates.*

27 (D) *A projection of costs, including design, planning,*
28 *construction, operation, staff, maintenance, marketing, and*
29 *information technology.*

30 (E) *A market analysis demonstrating demand for the project.*

31 (F) *A projected rate of return on the investment.*

32 (c) ~~The incremental~~ revenue generated by the revenue generation
33 program developed pursuant to subdivision (a) shall be deposited
34 into the State Parks and Recreation Fund. Revenue identified as
35 being in excess of the revenue targets shall be transferred to the
36 State Parks Revenue Incentive Subaccount, established pursuant
37 to Section 5010.6, on or before June 1, annually.

38 (d) ~~Moneys appropriated to the department transferred to the~~
39 *State Parks Revenue Incentive Subaccount pursuant to subdivision*
40 ~~(b) and Section 5010.6~~ (c) shall be expended as follows:

(1) (A) The department shall allocate 50 percent of the total amount of revenues deposited into the State Parks Revenue Incentive Subaccount pursuant to subdivision (c), generated by a park district to that district if the amount of revenues generated exceeds the targeted revenue amount prescribed in the revenue generation program. The revenues to be allocated to a park district that fails to achieve the revenue target shall remain in the ~~fund~~ subaccount.

(B) With the approval of the director, each district shall use the funds it receives ~~from the department from the revenue generation program pursuant to this section~~ to improve the parks in that district through revenue generation programs and projects and other activities that will assist in the district's revenue generation activities, and the programs, projects, and other activities shall be consistent with the mission and purpose of each unit and with the plan developed for the unit pursuant to subdivision (a) of Section 5002.2.

(C) The department shall report to the Legislature, commencing on July 1, 2014, and annually on or before each July 1 thereafter, on the revenue distributed to each district pursuant to this section.

(2) The department shall use 50 percent of the funds deposited into the State Parks Revenue Incentive Subaccount pursuant to subdivision (c) for the following purposes:

(A) To fund the capital costs of construction and installation of new revenue and fee collection equipment and technologies and other physical upgrades to existing state park system lands and facilities.

(B) For costs of restoration, rehabilitation, and improvement of the state park system and its natural, historical, and visitor-serving resources that enhance visitation and are designed to create opportunities to increase revenues.

(C) For costs to the department to implement the action plan required to be developed by the department pursuant to Section 5019.92 of the Public Resources Code.

~~(D) To establish a revolving loan program pursuant to subdivision (e).~~

~~(e) (1) The department shall establish a revolving loan program and prepare guidelines establishing a process for those districts that receive moneys under paragraph (1) of subdivision (d) to apply for funds that exceed the amount of funds provided to the districts~~

1 pursuant to paragraph (1) of subdivision (d). It is the intent of the
2 Legislature that the revolving loan program fund only those
3 projects that will contribute to the success of the department's
4 revenue generation program and the continual growth of the fund
5 over time. Districts may apply for funds for capital projects,
6 personnel, and operations that are consistent with this subdivision,
7 including the costs of preparing an application. The department
8 shall provide an annual accounting to the Department of Finance
9 and the relevant legislative committees of the use of those funds
10 in accordance with the purposes outlined in Proposition 40 (the
11 California Clean Water, Clean Air, Safe Neighborhood Parks, and
12 Coastal Protection Bond Act of 2002 (Chapter 1.696 (commencing
13 with Section 5096.600) of Division 5) and Proposition 84 (the Safe
14 Drinking Water, Water Quality and Supply, Flood Control, River
15 and Coastal Protection Bond Act of 2006 (Division 43
16 (commencing with Section 75001))), voter-approved bond acts.

17 (2) The guidelines prepared pursuant to paragraph (1) shall
18 require that applications for funding include all of the following:

19 (A) A clear description of the proposed use of funds, including
20 maps and other drawings, as applicable.

21 (B) A market analysis demonstrating demand for the project or
22 service.

23 (C) The projected lifespan of the project, which must be at least
24 20 years for a proposed capital project.

25 (D) A projection of revenues, including the specific assumptions
26 for annual income, fees, occupancy rates, pricing, and other
27 relevant criteria upon which the projection is based.

28 (E) A projection of costs, including, but not limited to, design,
29 planning, construction, operation, staff, maintenance, marketing,
30 and information technology.

31 (F) The timeframe for implementation, including all necessary
32 reviews and permitting.

33 (G) The projected net return on investment of the life of the
34 project.

35 (H) Provisions providing for mandatory reporting on the project
36 by districts to the department.

37 (f) The department shall rank all of the proposals and award
38 loans for projects or other activities to districts based on the
39 following criteria, as well as other considerations that the
40 department considers relevant:

1 ~~(1) Return on investment.~~

2 ~~(2) Length of time for implementation.~~

3 ~~(3) Length of time for the project debt to be retired.~~

4 ~~(4) Percentage of total project costs paid by the district or by a~~
5 ~~source of matching funds.~~

6 ~~(5) Annual operating costs.~~

7 ~~(6) Capacity of project to improve services or park experiences,~~
8 ~~or both, for park visitors.~~

9 *(D) Pursuant to subdivision (c) of Section 5010.6, for*
10 *expenditures to support revenue generation projects that include,*
11 *but are not limited to, staffing kiosks, campgrounds, and parking*
12 *lots.*

13 ~~(g)~~

14 *(e)* The funds generated by the revenue generation program
15 shall not be used by the department to expand the park system,
16 unless there is significant revenue generation potential from such
17 an expansion.

18 ~~(h)~~

19 *(f)* Notwithstanding Section 5009, moneys received by the
20 department from private contributions and other public funding
21 sources may also be deposited into the California State Park
22 Enterprise Fund *and the State Parks Revenue Incentive Subaccount*
23 *for use for the purposes of subdivision (c) and subdivision (d).*

24 ~~(i)~~

25 *(g)* The department shall provide all relevant information on its
26 Internet Web site concerning how ~~the working capital funds are~~
27 ~~spent, including the guidelines and the department's ranking criteria~~
28 ~~for each funded loan agreement.~~ *funds in the State Parks and*
29 *Recreation Revenue Incentive Subaccount and the California State*
30 *Park Enterprise Fund are spent.*

31 ~~(j) A project agreement shall be negotiated between the~~
32 ~~department and a park unit and the total amount of requested~~
33 ~~project costs shall be allocated to the district as soon as is feasible~~
34 ~~when the agreement is finalized.~~

35 ~~(k)~~

36 *(h)* The department may recoup its costs for implementing and
37 administering the working capital from the fund.

38 *SEC. 140. Article 1.5 (commencing with Section 5019.10) is*
39 *added to Chapter 1 of Division 5 of the Public Resources Code,*
40 *to read:*

1 Article 1.5. *The Parks Project Revolving Fund*

2
3 5019.10. (a) *The Parks Project Revolving Fund is hereby*
4 *established in the State Treasury. Except as otherwise specified*
5 *in this section, upon approval of the Department of Finance there*
6 *shall be transferred to, or deposited in, the fund all money*
7 *appropriated, contributed, or made available from any source,*
8 *including sources other than state appropriations, for expenditure*
9 *on work within the powers and duties of the department with*
10 *respect to the construction, alteration, repair, and improvement*
11 *of state park facilities, including, but not limited to, services, new*
12 *construction, major construction and equipment, minor*
13 *construction, maintenance, improvements, and equipment, and*
14 *other building and improvement projects for which an*
15 *appropriation is made or, as to funds from sources other than state*
16 *appropriations, as may be authorized by written agreement*
17 *between the contributor or contributors of funds and the*
18 *department and approved by the Department of Finance.*

19 (b) *Money from state sources transferred to, or deposited in,*
20 *the fund for major construction shall be limited to the amount*
21 *necessary based on receipt of competitive bids. Money transferred*
22 *for this purpose shall be upon the approval of the Department of*
23 *Finance. Any amount available, in the state appropriation, that is*
24 *in excess of the amount necessary based on receipt of competitive*
25 *bids, shall be immediately transferred to the credit of the fund from*
26 *which the appropriation was made. Money in the fund also may*
27 *be expended, upon approval of the Department of Finance, to*
28 *finance the cost of a construction project within the powers and*
29 *duties of the department for which the federal government will*
30 *contribute a partial cost thereof, if written evidence has been*
31 *received from a federal agency indicating that money has been*
32 *appropriated by Congress and the federal government, and that*
33 *the federal government will pay to the state the amount specified*
34 *upon the completion of construction of the project. The director*
35 *may approve plans, specifications, and estimates of cost, and*
36 *advertise for and receive bids on, those projects in anticipation of*
37 *the receipt of the written evidence. Money transferred or deposited*
38 *for the purposes of this subdivision is continuously appropriated*
39 *to, and available for expenditure by, the department for the*
40 *purposes for which it is appropriated, contributed, or made*

1 available, without regard to fiscal years and irrespective of the
2 provisions of Section 13340 of the Government Code.

3 (c) As used in this article, “fund” means the Parks Project
4 Revolving Fund.

5 5019.11. The department shall file against the fund all claims
6 covering expenditures incurred in connection with services, new
7 construction, major construction and equipment, minor
8 construction, maintenance, improvements, and equipment, and
9 other building and improvement projects, and the Controller shall
10 draw his or her warrant therefor against that fund.

11 5019.12. The department shall keep a record of all expenditures
12 chargeable against each specific portion of the fund. Any
13 unencumbered balance in any portion of the fund, either within
14 three months after completion of the project for which the portion
15 was transferred or within three years from the time the portion
16 was transferred or deposited therein, whichever is earlier, shall
17 be withdrawn from the fund and transferred to the credit of the
18 fund from which the appropriation was made. As to funds from
19 other than state appropriations, they shall be paid out or refunded
20 as provided in the agreement relating to the contributions. The
21 Department of Finance may approve an extension of the time of
22 withdrawal. For the purpose of this section, an estimate, prepared
23 by the department upon receipt of bids, of the amount required for
24 supervision, engineering, and other items, if any, necessary for
25 the completion of a project, on which a construction contract has
26 been awarded, shall be deemed a valid encumbrance and shall be
27 included with any other valid encumbrances in determining the
28 amount of an unencumbered balance.

29 5019.13. At any time, the department, without furnishing a
30 voucher or itemized statement, may withdraw from the fund a sum
31 not to exceed five hundred thousand dollars (\$500,000). Any sum
32 withdrawn pursuant to this section shall be used as a revolving
33 fund when payments of compensation earned or cash advances
34 are necessary with respect to the construction, alteration, repair,
35 or improvement of state park facilities.

36 5019.14. The department shall annually submit to the
37 Department of Finance a report that reconciles, by project, all of
38 the following:

39 (a) Amounts transferred to the fund.

40 (b) Amounts expended from the fund.

1 (c) *In cases of project savings or completion, or both,*
2 *unexpended amounts withdrawn from the fund and transferred to*
3 *the credit of the fund, paid out, or refunded, as provided in Section*
4 *5019.12.*

5 5019.15. *This article shall become inoperative on the date that*
6 *is three years after the date that Section 5018.1 is repealed, and,*
7 *as of January 1 immediately following that inoperative date, is*
8 *repealed, unless a later enacted statute that is enacted before that*
9 *January 1 deletes or extends the dates on which it becomes*
10 *inoperative and is repealed.*

11 SEC. 141. *Section 14507.5 of the Public Resources Code is*
12 *amended to read:*

13 14507.5. (a) “Community Conservation Corps” means a
14 nonprofit public benefit corporation formed or operating pursuant
15 to Part 2 (commencing with Section 5110) of Division 2 of Title
16 1 of the Corporations Code, or an agency operated by a city,
17 county, or city and county, that is certified by the California
18 Conservation Corps as meeting all of the following criteria:

19 (1) The corps is organized in the form of supervised work crews
20 and selects young men and women for participation on the basis
21 of motivation for hard work, personal development, and public
22 service, without regard to their prior employment or educational
23 background, and consistent with Section 14402. Participation shall
24 be for a period of one year, and may be extended.

25 (2) The corps’ program is based upon a highly disciplined work
26 experience, includes an educational component, and is designed
27 to develop corpsmembers’ character and civic consciousness
28 through rigorous work on public projects. The educational
29 component of the corps’ program includes enrollment in a
30 vocational education program, public or charter high school, or
31 postsecondary community college.

32 (3) The corps compensates corpsmembers at not less than the
33 federal minimum wage, and provides corpsmembers assistance in
34 obtaining permanent employment following their participation in
35 the corps program.

36 (4) The corps engages in recycling and litter abatement projects
37 as well as projects that accomplish the conservationist and other
38 purposes described in subdivisions (a) to (h), inclusive, of Section
39 14300, and that assist agencies of local government and other
40 nonprofit community organizations in developing, rehabilitating,

1 and restoring parklands, recreational facilities, and other
2 community resources.

3 (5) The corps consists of an average annual enrollment of not
4 less than 50 corpsmembers between 18 and 25 years of age. In
5 determining the average annual enrollment of a community
6 conservation corps for the purposes of ~~subdivision (a) of Section~~
7 ~~14581, Section 14581.1~~, the California Conservation Corps shall
8 not include special corpsmembers, as described in Section 14303,
9 who are employed by a community conservation corps.

10 (b) The California Conservation Corps shall evaluate a
11 community conservation corps for the purpose of determining its
12 eligibility for certification, pursuant to this section, after it has
13 completed 12 months of continuous operation, and annually
14 thereafter.

15 *SEC. 142. Section 14552 of the Public Resources Code is*
16 *amended to read:*

17 14552. (a) The department shall establish and implement an
18 auditing system to ensure that the information collected, and refund
19 values and redemption payments paid pursuant to this division,
20 comply with the purposes of this division. Notwithstanding
21 Sections 14573 and 14573.5, the auditing system adopted by the
22 department may include prepayment or postpayment controls.

23 (b) (1) ~~On or after January 1 of each year, the~~ The department
24 may audit or investigate any action taken up to ~~three~~ five years
25 before the onset of the audit or investigation and may determine
26 if there was compliance with this division and the regulations
27 adopted pursuant to this division, during that period.

28 (2) Notwithstanding any other provision of law establishing a
29 shorter statute of limitation, the department may take an
30 enforcement action, including, but not limited to, an action for
31 restitution or to impose penalties, at any time within ~~two~~ five years
32 after the department discovers, or with reasonable diligence, should
33 have discovered, a violation of this division or the regulations
34 adopted pursuant to this division.

35 (c) During the conduct of any inspection, including, but not
36 limited to, an inspection conducted as part of an audit or
37 investigation, the entity that is the subject of the inspection shall,
38 during its normal business hours, provide the department with
39 immediate access to its facilities, operations, and any relevant
40 record, that, in the department's judgment, the department

1 determines are necessary to carry out this section to verify
2 compliance with this division and the regulations adopted pursuant
3 to this division.

4 (1) The department may take disciplinary action pursuant to
5 Section 14591.2 against any person who fails to provide the
6 department with access pursuant to this subdivision including, but
7 not limited to, imposing penalties and the immediate suspension
8 or termination of any certificate or registration held by the operator.

9 (2) The department shall protect any information obtained
10 pursuant to this section in accordance with Section 14554, except
11 that this section does not prohibit the department from releasing
12 any information that the department determines to be necessary
13 in the course of an enforcement action.

14 (d) The auditing system adopted by the department shall allow
15 for reasonable shrinkage in material due to moisture, dirt, and
16 foreign material. The department, after an audit by a qualified
17 auditing firm and a hearing, shall adopt a standard to be used to
18 account for shrinkage and shall incorporate this standard in the
19 audit process.

20 (e) If the department prevails against ~~any~~ *an* entity in ~~any~~ *a* civil
21 or administrative action brought pursuant to this division, and
22 money is owed to the department as a result of the action, the
23 department may offset the amount against amounts claimed by the
24 entity to be due to it from the department. The department may
25 take this offset by withholding payments from the entity or by
26 authorizing all processors to withhold payment to a certified
27 recycling center.

28 (f) If the department determines, pursuant to an audit or
29 investigation, that a distributor or beverage manufacturer has
30 overpaid the redemption payment or processing fee, the department
31 may do either of the following:

32 (1) Offset the overpayment against future payments.

33 (2) Refund the payment pursuant to Article 3 (commencing with
34 Section 13140) of Chapter 2 of Part 3 of Division 3 of Title 2 of
35 the Government Code.

36 *SEC. 143. Section 14581 of the Public Resources Code is*
37 *amended to read:*

38 14581. (a) Subject to the availability of funds and in
39 accordance with subdivision ~~(e)~~, (b), the department shall expend
40 the moneys set aside in the fund, pursuant to subdivision (c) of

1 Section 14580, for the purposes of this section in the following
2 manner:

3 (1) For each fiscal year, the department may expend the amount
4 necessary to make the required handling fee payment pursuant to
5 Section 14585.

6 (2) Fifteen million dollars (\$15,000,000) shall be expended
7 annually for payments for curbside programs and neighborhood
8 dropoff programs pursuant to Section 14549.6.

9 ~~(3) (A) Fifteen million dollars (\$15,000,000), plus the~~
10 ~~proportional share of the cost-of-living adjustment, as provided in~~
11 ~~subdivision (b), shall be expended annually in the form of grants~~
12 ~~for beverage container litter reduction programs and recycling~~
13 ~~programs issued to either of the following:~~

14 ~~(i) Certified community conservation corps that were in~~
15 ~~existence on September 30, 1999, or that are formed subsequent~~
16 ~~to that date, that are designated by a city or a city and county to~~
17 ~~perform litter abatement, recycling, and related activities, if the~~
18 ~~city or the city and county has a population, as determined by the~~
19 ~~most recent census, of more than 250,000 persons.~~

20 ~~(ii) Community conservation corps that are designated by a~~
21 ~~county to perform litter abatement, recycling, and related activities,~~
22 ~~and are certified by the California Conservation Corps as having~~
23 ~~operated for a minimum of two years and as meeting all other~~
24 ~~criteria of Section 14507.5.~~

25 ~~(B) The grants provided pursuant to this paragraph shall not~~
26 ~~comprise more than 75 percent of the annual budget of a~~
27 ~~community conservation corps.~~

28 ~~(C) For the 2009-10 fiscal year only, the eight million two~~
29 ~~hundred fifty thousand dollars (\$8,250,000) appropriated to the~~
30 ~~California Conservation Corps for certified local conservation~~
31 ~~corps by Item 3340-101-0133 of Sec. 2.00 of the 2009-10 Budget~~
32 ~~Act, as added by Section 166 of Chapter 1 of the Fourth~~
33 ~~Extraordinary Session of the Statutes of 2009, shall be in addition~~
34 ~~to the amounts expended pursuant to this paragraph.~~

35 ~~(4)~~

36 (3) (A) Ten million five hundred thousand dollars (\$10,500,000)
37 may be expended annually for payments of five thousand dollars
38 (\$5,000) to cities and ten thousand dollars (\$10,000) for payments
39 to counties for beverage container recycling and litter cleanup
40 activities, or the department may calculate the payments to counties

1 and cities on a per capita basis, and may pay whichever amount
2 is greater, for those activities.

3 (B) Eligible activities for the use of these funds may include,
4 but are not necessarily limited to, support for new or existing
5 curbside recycling programs, neighborhood dropoff recycling
6 programs, public education promoting beverage container
7 recycling, litter prevention, and cleanup, cooperative regional
8 efforts among two or more cities or counties, or both, or other
9 beverage container recycling programs.

10 (C) These funds shall not be used for activities unrelated to
11 beverage container recycling or litter reduction.

12 (D) To receive these funds, a city, county, or city and county
13 shall fill out and return a funding request form to the department.
14 The form shall specify the beverage container recycling or litter
15 reduction activities for which the funds will be used.

16 (E) The department shall annually prepare and distribute a
17 funding request form to each city, county, or city and county. The
18 form shall specify the amount of beverage container recycling and
19 litter cleanup funds for which the jurisdiction is eligible. The form
20 shall not exceed one double-sided page in length, and may be
21 submitted electronically. If a city, county, or city and county does
22 not return the funding request form within 90 days of receipt of
23 the form from the department, the city, county, or city and county
24 is not eligible to receive the funds for that funding cycle.

25 (F) For the purposes of this paragraph, per capita population
26 shall be based on the population of the incorporated area of a city
27 or city and county and the unincorporated area of a county. The
28 department may withhold payment to any city, county, or city and
29 county that has prohibited the siting of a supermarket site, caused
30 a supermarket site to close its business, or adopted a land use policy
31 that restricts or prohibits the siting of a supermarket site within its
32 jurisdiction.

33 ~~(5) (A)~~

34 (4) One million five hundred thousand dollars (\$1,500,000) may
35 be expended annually in the form of grants for beverage container
36 recycling and litter reduction programs.

37 ~~(B) Notwithstanding subdivision (f), the department shall not~~
38 ~~expend funds pursuant to this paragraph for the 2010 and 2011~~
39 ~~calendar years.~~

40 (6)

(5) (A) The department shall expend the amount necessary to pay the processing payment established pursuant to Section 14575. The department shall establish separate processing fee accounts in the fund for each beverage container material type for which a processing payment and processing fee are calculated pursuant to Section 14575, or for which a processing payment is calculated pursuant to Section 14575 and a voluntary artificial scrap value is calculated pursuant to Section 14575.1, into which account shall be deposited both of the following:

(i) All amounts paid as processing fees for each beverage container material type pursuant to Section 14575.

(ii) Funds equal to the difference between the amount in clause (i) and the amount of the processing payments established in subdivision (b) of Section 14575, and adjusted pursuant to paragraph (2) of subdivision (c) of, and subdivision (f) of, Section 14575, to reduce the processing fee to the level provided in subdivision (e) of Section 14575, or to reflect the agreement by a willing purchaser to pay a voluntary artificial scrap value pursuant to Section 14575.1.

(B) Notwithstanding Section 13340 of the Government Code, the moneys in each processing fee account are hereby continuously appropriated to the department for expenditure without regard to fiscal years, for purposes of making processing payments pursuant to Section 14575.

~~(C) Notwithstanding the other provisions of this section and Section 14575, for the 2010 and 2011 calendar years, the total amount that the department may expend to reduce the amount of processing fees for each container type shall not exceed the total amount expended to reduce processing fees in the 2008 calendar year.~~

~~(7) (A)~~

(6) Up to five million dollars (\$5,000,000) may be annually expended by the department for the purposes of undertaking a statewide public education and information campaign aimed at promoting increased recycling of beverage containers.

~~(B) Notwithstanding subdivision (f), the department shall not expend funds pursuant to this paragraph for the 2010 and 2011 calendar years.~~

~~(8)~~

1 (7) Up to ten million dollars (\$10,000,000) may be expended
2 annually by the department for quality incentive payments for
3 empty glass beverage containers pursuant to Section 14549.1.

4 ~~(9)~~

5 (8) (A) Up to ten million dollars (\$10,000,000) may be
6 expended annually by the department for market development
7 payments for empty plastic beverage containers pursuant to Section
8 14549.2, until January 1, 2017.

9 ~~(B) On and after January 1, 2012, in~~ In addition to the amount
10 specified in subparagraph (A), the department may expend the
11 amount calculated pursuant to subparagraph (C) for market
12 development payments for empty plastic beverage containers
13 pursuant to Section 14549.2.

14 (C) The department shall calculate the amount authorized for
15 expenditure pursuant to subparagraph (B) in the following manner:

16 (i) The department shall determine, on or before January 1,
17 2012, and annually thereafter, whether the amount of funds
18 estimated to be necessary pursuant to clause (ii) of subparagraph
19 (A) of paragraph (6) for deposit to a processing fee account
20 established by the department for plastic beverage containers to
21 make processing payments for plastic beverage containers for the
22 current calendar year is less than the total amount of funds that
23 were estimated to be necessary the previous calendar year pursuant
24 to clause (ii) of subparagraph (A) of paragraph (6) for deposit to
25 that processing fee account.

26 (ii) If the amount estimated to be necessary for the current
27 calendar year, as specified in clause (i), is less than the amount
28 estimated to be necessary for the previous calendar year, the
29 department shall calculate the amount of that difference.

30 (iii) The department shall expend an amount that is not greater
31 than 50 percent of the amount calculated pursuant to clause (ii)
32 for purposes of subparagraph (B).

33 (iv) If the department determines that the amount of funds
34 authorized for expenditure pursuant to this subparagraph is not
35 needed to make plastic market development payments pursuant to
36 subparagraph (B) in the calendar year for which that amount is
37 allocated, the department may expend those funds during the
38 following year.

39 (v) If the department determines that there are insufficient funds
40 to both make the market development payments pursuant to

1 subparagraph (B) and to deposit the amount required by clause (ii)
2 of subparagraph (A) of paragraph (6), for purposes of making the
3 processing payments and reducing the processing fees pursuant to
4 Section 14575 for plastic beverage containers, the department shall
5 suspend the implementation of this subparagraph and subparagraph
6 (B).

7 (D) Subparagraphs (B) and (C) shall remain operative only until
8 January 1, 2017.

9 ~~(b) The fifteen million dollars (\$15,000,000) that is set aside~~
10 ~~pursuant to paragraph (3) of subdivision (a) is a base amount that~~
11 ~~the department shall adjust annually to reflect any increases or~~
12 ~~decreases in the cost of living, as measured by the Department of~~
13 ~~Labor, or a successor agency, of the federal government.~~

14 ~~(e)~~

15 (b) (1) If the department determines, pursuant to a review made
16 pursuant to Section 14556, that there may be inadequate funds to
17 pay the payments required by this division, the department shall
18 immediately notify the appropriate policy and fiscal committees
19 of the Legislature regarding the inadequacy.

20 (2) On or before 180 days, but not less than 80 days, after the
21 notice is sent pursuant to paragraph (1), the department may reduce
22 or eliminate expenditures, or both, from the funds as necessary,
23 according to the procedure set forth in subdivision ~~(d)~~: (c).

24 ~~(d)~~

25 (c) If the department determines that there are insufficient funds
26 to make the payments specified pursuant to this section and Section
27 14575, the department shall reduce all payments proportionally.

28 ~~(e)~~

29 (d) Prior to making an expenditure pursuant to paragraph ~~(7)~~
30 (6) of subdivision (a), the department shall convene an advisory
31 committee consisting of representatives of the beverage industry,
32 beverage container manufacturers, environmental organizations,
33 the recycling industry, nonprofit organizations, and retailers to
34 advise the department on the most cost-effective and efficient
35 method of the expenditure of the funds for that education and
36 information campaign.

37 ~~(f)~~

38 (e) Subject to the availability of funds, the department shall
39 retroactively pay in full any payments provided in this section that

1 have been proportionally reduced during the period of January 1,
2 2010, through June 30, 2010.

3 *SEC. 144. Section 14581.1 is added to the Public Resources*
4 *Code, to read:*

5 *14581.1. (a) The department shall expend in each fiscal year,*
6 *from the moneys set aside in the fund pursuant to subdivision (c)*
7 *of Section 14580, twenty million nine hundred seventy-four*
8 *thousand dollars (\$20,974,000), plus the cost-of-living adjustment,*
9 *as provided in subdivision (c), less fifteen million dollars*
10 *(\$15,000,000), in the form of grants for beverage container litter*
11 *reduction programs and recycling programs, including education*
12 *and outreach, issued to either of the following:*

13 *(1) Certified community conservation corps that were in*
14 *existence on September 30, 1999, or that are formed subsequent*
15 *to that date, that are designated by a city or a city and county to*
16 *perform litter abatement, recycling, and related activities, if the*
17 *city or the city and county has a population, as determined by the*
18 *most recent census, of more than 250,000 persons.*

19 *(2) Community conservation corps that are designated by a*
20 *county to perform litter abatement, recycling, and related activities,*
21 *and are certified by the California Conservation Corps as having*
22 *operated for a minimum of two years and as meeting all other*
23 *criteria of Section 14507.5.*

24 *(b) The grants provided pursuant to this section shall not*
25 *comprise more than 75 percent of the annual budget of a*
26 *community conservation corps.*

27 *(c) The amount of twenty million nine hundred seventy-four*
28 *thousand dollars (\$20,974,000) that is referenced in subdivision*
29 *(a) is a base amount for the 2014–15 fiscal year, and the*
30 *department shall adjust that amount annually to reflect any*
31 *increases or decreases in the cost of living as measured by the*
32 *Department of Labor or a successor agency of the federal*
33 *government.*

34 *(d) For the 2014–15 fiscal year only, the amount to be expended*
35 *from the fund for the purposes specified in subdivision (a) shall*
36 *be increased by seven million five hundred thousand dollars*
37 *(\$7,500,000).*

38 *SEC. 145. Division 12.5 (commencing with Section 17000) is*
39 *added to the Public Resources Code, to read:*

1 *DIVISION 12.5. COMMUNITY CONSERVATION CORPS*

2
3 *17000. For purposes of this division, the following definitions*
4 *shall apply:*

5 (a) *“Certified community conservation corps” means a*
6 *community conservation corps that was in existence on September*
7 *30, 1999, or that is formed subsequent to that date, and that is*
8 *designated by a city or a city and county to perform litter*
9 *abatement, recycling, and related activities, if the city or the city*
10 *and county has a population, as determined by the most recent*
11 *census, of more than 250,000 persons.*

12 (b) *“Community conservation corps” means a community*
13 *conservation corps, as defined in Section 14507.5, that is*
14 *designated by a county to perform litter abatement, recycling, and*
15 *related activities, and that is certified by the California*
16 *Conservation Corps as having operated for a minimum of two*
17 *years and as meeting all other criteria of Section 14507.5.*

18 (c) *“Department” means the Department of Resources Recycling*
19 *and Recovery.*

20 *17001. (a) For purposes of the 2014–15 fiscal year only,*
21 *subject to Section 17002, the department shall expend funds from*
22 *the following sources, for issuing grants to certified community*
23 *conservation corps and community conservation corps, in*
24 *accordance with, and for the purposes specified in, this*
25 *subdivision:*

26 (1) *The department shall expend the amount made available*
27 *for expenditure during the 2014–15 fiscal year pursuant to Section*
28 *14581.1 in the form of grants for implementing beverage container*
29 *litter reduction programs and beverage container recycling*
30 *programs, including education and outreach, pursuant to Division*
31 *12.1 (commencing with Section 14501).*

32 (2) *The department shall expend four million dollars*
33 *(\$4,000,000) from the funds in the Electronic Waste Recovery and*
34 *Recycling Account, upon appropriation by the Legislature, for*
35 *grants to implement programs relating to the collection and*
36 *recovery of covered electronic waste, including education and*
37 *outreach, in accordance with Chapter 8.5 (commencing with*
38 *Section 42460) of Part 3 of Division 30.*

39 (3) *The department shall expend two million five hundred*
40 *thousand dollars (\$2,500,000) from the funds in the California*

1 *Tire Recycling Management Fund, upon appropriation by the*
2 *Legislature, for grants relating to implementing programs to clean*
3 *up and abate waste tires and to reuse and recycle waste tires,*
4 *including, but not limited to, the tire recycling program authorized*
5 *by Section 42872, and including education and outreach, in*
6 *accordance with Chapter 17 (commencing with Section 42860) of*
7 *Part 3 of Division 30.*

8 *(4) The department shall expend one million dollars*
9 *(\$1,000,000) from the funds in the California Used Oil Recycling*
10 *Fund, upon appropriation by the Legislature, for grants to*
11 *implement programs relating to the collection of used oil, including*
12 *education and outreach, in accordance with Chapter 4*
13 *(commencing with Section 48600) of Part 7 of Division 30.*

14 *(b) On and after July 1, 2015, subject to Section 17002, the*
15 *department shall expend funds from the following sources, for*
16 *issuing grants to certified community conservation corps and*
17 *community conservation corps, in accordance with, and for the*
18 *purposes specified in, this subdivision:*

19 *(1) The department shall expend in each fiscal year the amount*
20 *made available pursuant to Section 14581.1 for grants to*
21 *implement beverage container litter reduction programs and*
22 *beverage container recycling programs, including education and*
23 *outreach, pursuant to Division 12.1 (commencing with Section*
24 *14501).*

25 *(2) The department shall expend eight million dollars*
26 *(\$8,000,000) each fiscal year from the funds in the Electronic*
27 *Waste Recovery and Recycling Account, upon appropriation by*
28 *the Legislature, for grants to implement programs relating to the*
29 *collection and recovery of covered electronic waste, including*
30 *education and outreach, in accordance with Chapter 8.5*
31 *(commencing with Section 42460) of Part 3 of Division 30.*

32 *(3) The department shall expend five million dollars*
33 *(\$5,000,000) each fiscal year from the funds in the California Tire*
34 *Recycling Management Fund, upon appropriation by the*
35 *Legislature, for grants to implement programs relating to clean*
36 *up and abate waste tires and to reuse and recycle waste tires,*
37 *including, but not limited to, the tire recycling program authorized*
38 *by Section 42872, and including education and outreach, in*
39 *accordance with Chapter 17 (commencing with Section 42860) of*
40 *Part 3 of Division 30.*

(4) The department shall expend two million dollars (\$2,000,000) each fiscal year from the funds in the California Used Oil Recycling Fund, upon appropriation by the Legislature, for grants to implement programs relating to the collection of used oil, including education and outreach, in accordance with Chapter 4 (commencing with Section 48600) of Part 7 of Division 30.

17002. The amount the department may expend for a fiscal year pursuant to Section 17001 shall not exceed the amount determined for that fiscal year pursuant to subdivision (c) of Section 14581.1.

SEC. 146. Section 21190 of the Public Resources Code is amended to read:

21190. There is in this state the California Environmental Protection Program, which shall be concerned with the preservation and protection of California's environment. In this connection, the Legislature hereby finds and declares that, since the inception of the program pursuant to the Marks-Badham Environmental Protection and Research Act, the Department of Motor Vehicles has, in the course of issuing environmental license plates, consistently informed potential purchasers of those plates, by means of a detailed brochure, of the manner in which the program functions, the particular purposes for which revenues from the issuance of those plates can lawfully be expended, and examples of particular projects and programs that have been financed by those revenues. Therefore, because of this representation by the Department of Motor Vehicles, purchasers come to expect and rely that the moneys paid by them will be expended only for those particular purposes, which results in an obligation on the part of the state to expend the revenues only for those particular purposes.

Accordingly, all funds expended pursuant to this division shall be used only to support identifiable projects and programs of state agencies, cities, cities and counties, counties, districts, the University of California, private nonprofit environmental and land acquisition organizations, and private research organizations ~~which~~ *that* have a clearly defined benefit to the people of the State of California and ~~which~~ *that* have one or more of the following purposes:

(a) The control and abatement of air pollution, including all phases of research into the sources, dynamics, and effects of environmental pollutants.

1 (b) The acquisition, preservation, restoration, or any combination
2 thereof, of natural areas or ecological reserves.

3 (c) Environmental education, including formal school programs
4 and informal public education programs. The State Department of
5 Education may administer moneys appropriated for these programs,
6 but shall distribute not less than 90 percent of moneys appropriated
7 for the purposes of this subdivision to fund environmental
8 education programs of school districts, other local schools, state
9 agencies other than the State Department of Education, and
10 community organizations. Not more than 10 percent of the moneys
11 appropriated for environmental education may be used for State
12 Department of Education programs or defraying administrative
13 costs.

14 (d) Protection of nongame species and threatened and
15 endangered plants and animals.

16 (e) Protection, enhancement, and restoration of fish and wildlife
17 habitat and related water quality, including review of the potential
18 impact of development activities and land use changes on that
19 habitat.

20 (f) The purchase, on an opportunity basis, of real property
21 consisting of sensitive natural areas for the state park system and
22 for local and regional parks.

23 (g) Reduction or minimization of the effects of soil erosion and
24 the discharge of sediment into the waters of the Lake Tahoe region,
25 including the restoration of disturbed wetlands and stream
26 environment zones, through projects by the California Tahoe
27 Conservancy and grants to local public agencies, state agencies,
28 federal agencies, and nonprofit organizations.

29 (h) *Scientific research on the risks to California's natural*
30 *resources and communities caused by the impacts of climate*
31 *change.*

32 *SEC. 147. Section 30821 is added to the Public Resources*
33 *Code, to read:*

34 *30821. (a) In addition to any other penalties imposed pursuant*
35 *to this division, a person, including a landowner, who is in*
36 *violation of the public access provisions of this division is subject*
37 *to an administrative civil penalty that may be imposed by the*
38 *commission in an amount not to exceed 75 percent of the amount*
39 *of the maximum penalty authorized pursuant to subdivision (b) of*
40 *Section 30820 for each violation. The administrative civil penalty*

1 *may be assessed for each day the violation persists, but for no*
2 *more than five years.*

3 *(b) All penalties imposed pursuant to subdivision (a) shall be*
4 *imposed by majority vote of the commissioners present in a duly*
5 *noticed public hearing in compliance with the requirements of*
6 *Section 30810, 30811, or 30812.*

7 *(c) In determining the amount of civil liability, the commission*
8 *shall take into account the factors set forth in subdivision (c) of*
9 *Section 30820.*

10 *(d) A person shall not be subject to both monetary civil liability*
11 *imposed under this section and monetary civil liability imposed*
12 *by the superior court for the same act or failure to act. If a person*
13 *who is assessed a penalty under this section fails to pay the*
14 *administrative penalty, otherwise fails to comply with a restoration*
15 *or cease and desist order issued by the commission in connection*
16 *with the penalty action, or challenges any of these actions by the*
17 *commission in a court of law, the commission may maintain an*
18 *action or otherwise engage in judicial proceedings to enforce those*
19 *requirements and the court may grant any relief as provided under*
20 *this chapter.*

21 *(e) If a person fails to pay a penalty imposed by the commission*
22 *pursuant to this section, the commission may record a lien on the*
23 *property in the amount of the penalty assessed by the commission.*
24 *This lien shall have the force, effect, and priority of a judgment*
25 *lien.*

26 *(f) In enacting this section, it is the intent of the Legislature to*
27 *ensure that unintentional, minor violations of this division that*
28 *only cause de minimis harm will not lead to the imposition of*
29 *administrative penalties if the violator has acted expeditiously to*
30 *correct the violation.*

31 *(g) "Person," for the purpose of this section, does not include*
32 *a local government, a special district, or an agency thereof, when*
33 *acting in a legislative or adjudicative capacity.*

34 *(h) Administrative penalties pursuant to subdivision (a) shall*
35 *not be assessed if the property owner corrects the violation*
36 *consistent with this division within 30 days of receiving written*
37 *notification from the commission regarding the violation, and if*
38 *the alleged violator can correct the violation without undertaking*
39 *additional development that requires a permit under this division.*
40 *This 30-day timeframe for corrective action does not apply to*

1 *previous violations of permit conditions incurred by a property*
2 *owner.*

3 *(i) The commission shall prepare and submit, pursuant to*
4 *Section 9795 of the Government Code, a report to the Legislature*
5 *by January 15, 2019, that includes all of the following:*

6 *(1) The number of new violations reported annually to the*
7 *commission from January 1, 2015, to December 31, 2018,*
8 *inclusive.*

9 *(2) The number of violations resolved from January 1, 2015, to*
10 *December 31, 2018, inclusive.*

11 *(3) The number of administrative penalties issued pursuant to*
12 *this section, the dollar amount of the penalties, and a description*
13 *of the violations from January 1, 2015, to December 31, 2018,*
14 *inclusive.*

15 *(j) Revenues derived pursuant to this section shall be deposited*
16 *into the Violation Remediation Account of the Coastal Conservancy*
17 *Fund and expended pursuant to Section 30823.*

18 *SEC. 148. Section 31012 of the Public Resources Code is*
19 *amended to read:*

20 *31012. (a) The Coastal Trust Fund is hereby established in*
21 *the State Treasury, to receive and disburse funds paid to the*
22 *conservancy in trust, subject to the right of recovery to fulfill the*
23 *purposes of the trust, as provided in this section.*

24 *(b) (1) There is in the Coastal Trust Fund the San Francisco*
25 *Bay Area Conservancy Program Account, which shall be expended*
26 *solely for the purposes of Chapter 4.5 (commencing with Section*
27 *31160).*

28 *(2) The conservancy shall deposit in the San Francisco Bay*
29 *Area Conservancy Program Account all funds received by the*
30 *conservancy for the purposes of the San Francisco Bay Area*
31 *Conservancy Program established under Chapter 4.5 (commencing*
32 *with Section 31160), from sources other than the state or federal*
33 *government and not provided for in subdivision (a) of Section*
34 *31164. These funds include, but are not limited to, private*
35 *donations, fees, penalties, and local government contributions.*

36 *(c) (1) There is in the Coastal Trust Fund the Coastal Program*
37 *Account. Funds in the Coastal Program Account shall be expended*
38 *solely for their specified trust purposes.*

39 *(2) Upon approval of the Department of Finance, the*
40 *conservancy shall deposit in the Coastal Program Account all funds*

1 paid to the conservancy in trust for purposes of this division, except
2 those funds identified in paragraph (2) of subdivision (b). The
3 funds that shall be deposited in the Coastal Program Account, upon
4 that approval, include, but are not limited to, funds that are paid
5 to the conservancy in trust for purposes of mitigation, for settlement
6 of litigation, instead of other conditions of coastal development
7 permits or other regulatory entitlements, or for other trust purposes
8 consistent with this division and specified by the terms of a gift
9 or contract. Funds in the Coastal Program Account shall be
10 separately accounted for according to their source and trust
11 purpose. Funds ~~may~~ *shall* not be deposited in the Coastal Program
12 Account without the Department of Finance's approval.

13 *(d) (1) There is in the Coastal Trust Fund the California*
14 *Climate Resilience Account. Notwithstanding Section 13340 of*
15 *the Government Code, and except as provided in paragraph (6),*
16 *funds in the account are continuously appropriated to the*
17 *conservancy, as follows, without regard to fiscal year. Funds shall*
18 *be expended by the conservancy, the California Coastal*
19 *Commission, and the San Francisco Bay Conservation and*
20 *Development Commission for coastal zone management planning*
21 *and implementation activities to address the risks and impacts of*
22 *climate change, sea level rise, and associated extreme events to*
23 *coastal and bay communities and natural resources. The purpose*
24 *of the account is to support project implementation, capital outlay,*
25 *and local assistance grants. Up to 10 percent of the funds shall*
26 *be available for administrative costs.*

27 *(2) Except as specified by an instrument imposing conditions*
28 *on the use or expenditure of the specific funds provided, funds*
29 *appropriated for these purposes shall be allocated as follows:*

30 *(A) To the California Coastal Commission, 20 percent of the*
31 *funds deposited in the account during each fiscal year.*

32 *(B) To the San Francisco Bay Conservation and Development*
33 *Commission, 20 percent of the funds deposited in the account*
34 *during each fiscal year.*

35 *(C) To the conservancy, 60 percent of the funds deposited in*
36 *the account during each fiscal year.*

37 *(3) Funds in the account shall be expended solely for their*
38 *specified purposes.*

39 *(4) Funds that may be deposited into the California Climate*
40 *Resilience Account include, but are not limited to, appropriations*

1 *and grants, funds from the federal government, regional planning*
2 *agencies, and local governments, fees, litigation settlements,*
3 *permits, and mitigation requirements, and private donations that*
4 *are eligible to be spent for the purposes of the account.*

5 *(5) Nothing in this section shall apply to funds eligible for*
6 *deposit in the Bay Fill Clean-Up and Abatement Fund pursuant*
7 *to Section 66647 of the Government Code or to any funds collected*
8 *pursuant to the California Coastal Act of 1976 (Division 20*
9 *commencing with Section 30000)).*

10 *(6) To the extent that any funds are appropriated into the*
11 *account by the Legislature in the annual Budget Act, those funds*
12 *shall be segregated for purposes of accounting. Funds*
13 *appropriated into the account by the Legislature in the Annual*
14 *Budget act shall not be continuously appropriated and are subject*
15 *to the provisions of Section 16304 of the Government Code.*

16 ~~(d)~~

17 *(e) Interest that accrues on funds in the Coastal Trust Fund shall*
18 *be retained in the Coastal Trust Fund and available for expenditure*
19 *by the conservancy for the trust purposes.*

20 ~~(e)~~

21 *(f) The conservancy shall maintain separate accountings of funds*
22 *within the Coastal Trust Fund, pursuant to its fiduciary duties, for*
23 *the purpose of separating deposits and interest on those deposits,*
24 *according to their trust purposes.*

25 ~~(f)~~

26 *(g) Notwithstanding Section 13340 of the Government Code,*
27 *and except as provided in subdivision (d), all funds in the Coastal*
28 *Trust Fund are continuously appropriated, without regard to fiscal*
29 *year, to the conservancy to fulfill the trust purposes for which the*
30 *payments of funds were made.*

31 ~~(g)~~

32 *(h) The conservancy shall provide an annual accounting to the*
33 *Department of Finance of the conservancy's expenditures from,*
34 *and other activities related to, the Coastal Trust Fund.*

35 *SEC. 149. Section 42476 of the Public Resources Code is*
36 *amended to read:*

37 *42476. (a) The Electronic Waste Recovery and Recycling*
38 *Account is hereby established in the Integrated Waste Management*
39 *Fund. All fees collected pursuant to this chapter shall be deposited*
40 *in the account. Notwithstanding Section 13340 of the Government*

1 Code, the funds in the account are hereby continuously
2 appropriated, without regard to fiscal year, for the following
3 purposes:

4 (1) To pay refunds of the covered electronic waste recycling
5 fee imposed under Section 42464.

6 (2) To make electronic waste recovery payments to an
7 authorized collector of covered electronic waste pursuant to Section
8 42479.

9 (3) To make electronic waste recycling payments to covered
10 electronic waste recyclers pursuant to Section 42479.

11 (4) To make payments to manufacturers pursuant to subdivision
12 (h).

13 (b) (1) The money in the account may be expended for the
14 following purposes only upon appropriation by the Legislature in
15 the annual Budget Act:

16 (A) For the administration of this chapter by the Department of
17 Resources Recycling and Recovery and the department.

18 (B) To reimburse the State Board of Equalization for its
19 administrative costs of registering, collecting, making refunds, and
20 auditing retailers and consumers in connection with the covered
21 electronic waste recycling fee imposed under Section 42464.

22 (C) To provide funding to the department to implement and
23 enforce Chapter 6.5 (commencing with Section 25100) of Division
24 20 of the Health and Safety Code, as that chapter relates to covered
25 electronic devices, and any regulations adopted by the department
26 pursuant to that chapter.

27 (D) To establish the public information program specified in
28 subdivision (d).

29 (E) *For expenditure pursuant to paragraph (2) of subdivision*
30 *(a) of, and paragraph (2) of subdivision (b) of, Section 17001.*

31 (2) Any fines or penalties collected pursuant to this chapter shall
32 be deposited in the Electronic Waste Penalty Subaccount, which
33 is hereby established in the account. The funds in the Electronic
34 Waste Penalty Subaccount may be expended by the Department
35 of Resources Recycling and Recovery or the department only upon
36 appropriation by the Legislature.

37 (c) Notwithstanding Section 16475 of the Government Code,
38 any interest earned upon funds in the Electronic Waste Recovery
39 and Recycling Account shall be deposited in that account for
40 expenditure pursuant to this chapter.

1 (d) Not more than 1 percent of the funds annually deposited in
2 the Electronic Waste Recovery and Recycling Account shall be
3 expended for the purposes of establishing the public information
4 program to educate the public in the hazards of improper covered
5 electronic device storage and disposal and on the opportunities to
6 recycle covered electronic devices.

7 (e) The Department of Resources Recycling and Recovery shall
8 adopt regulations specifying cancellation methods for the recovery,
9 processing, or recycling of covered electronic waste.

10 (f) The Department of Resources Recycling and Recovery may
11 pay an electronic waste recycling payment or electronic waste
12 recovery payment only for covered electronic waste that meets all
13 of the following conditions:

14 (1) (A) The covered electronic waste is demonstrated to have
15 been generated by a person who used the covered electronic device
16 while located in this state.

17 (B) Covered electronic waste generated outside of the state and
18 subsequently brought into the state is not eligible for payment.

19 (C) The Department of Resources Recycling and Recovery shall
20 establish documentation requirements for purposes of this
21 paragraph that are necessary to demonstrate that the covered
22 electronic waste was generated in the state and eligible for payment.

23 (2) The covered electronic waste, including any residuals from
24 the processing of the waste, is handled in compliance with all
25 applicable statutes and regulations.

26 (3) The manufacturer or the authorized collector or recycler of
27 the electronic waste provides a cost-free and convenient
28 opportunity to recycle electronic waste, in accordance with the
29 legislative intent specified in subdivision (b) of Section 42461.

30 (4) If the covered electronic waste is processed, the covered
31 electronic waste is processed in this state according to the
32 cancellation method authorized by the Department of Resources
33 Recycling and Recovery.

34 (g) The Legislature hereby declares that the state is a market
35 participant in the business of the recycling of covered electronic
36 waste for all of the following reasons:

37 (1) The fee is collected from the state's consumers for covered
38 electronic devices sold for use in the state.

(2) The purpose of the fee and subsequent payments is to prevent damage to the public health and the environment from waste generated in the state.

(3) The recycling system funded by the fee ensures that economically viable and sustainable markets are developed and supported for recovered materials and components in order to conserve resources and maximize business and employment opportunities within the state.

(h) (1) The Department of Resources Recycling and Recovery may make a payment to a manufacturer that takes back a covered electronic device from a consumer in this state for purposes of recycling the device at a processing facility. The amount of the payment made by the Department of Resources Recycling and Recovery shall equal the value of the covered electronic waste recycling fee paid for that device. To qualify for a payment pursuant to this subdivision, the manufacturer shall demonstrate both of the following to the Department of Resources Recycling and Recovery:

(A) The covered electronic device for which payment is claimed was used in this state.

(B) The covered electronic waste for which a payment is claimed, including any residuals from the processing of the waste, has been, and will be, handled in compliance with all applicable statutes and regulations.

(2) A covered electronic device for which a payment is made under this subdivision is not eligible for an electronic waste recovery payment or an electronic waste recycling payment under Section 42479.

SEC. 150. Section 42872.1 of the Public Resources Code is amended to read:

42872.1. (a) This section shall be known, and may be cited, as the Rubberized—~~Asphalt—Concrete~~ Pavement Market Development Act.

(b) In accordance with the tire recycling program authorized by Section 42872, the department shall award grants in the following manner:

(1) To cities, counties, and other local governmental agencies for the funding of public works projects that utilize rubberized ~~asphalt concrete~~ pavement.

1 (2) To state and local governmental agencies, including regional
2 park districts, for the funding of disability access projects at parks
3 and Class I bikeways as defined in subdivision (a) of Section 890.4,
4 relative to projects that utilize rubberized ~~asphalt concrete~~
5 *pavement*.

6 (c) (1) Except as provided in paragraph (2), the department
7 shall award the grants pursuant to subdivision (b) in the amount
8 of two dollars (\$2) for every 12 pounds of crumb rubber used in
9 a public works or disability access project by a state or local
10 governmental agency, including a regional park district.

11 (2) The department may adjust the amount of grants awarded
12 pursuant to paragraph (1) to an amount that is greater than, or less
13 than, two dollars (\$2) for every 12 pounds of crumb rubber if the
14 department finds this adjustment would further the purposes of
15 this article.

16 (d) This section shall become inoperative on June 30, 2019,
17 and, as of January 1, 2020, is repealed, unless a later enacted
18 statute, that becomes operative on or before January 1, 2020,
19 deletes or extends the dates on which it becomes inoperative and
20 is repealed.

21 *SEC. 151. Section 42885.5 of the Public Resources Code is*
22 *amended to read:*

23 42885.5. (a) The department shall adopt a five-year plan, which
24 shall be updated every two years, to establish goals and priorities
25 for the waste tire program and each program element.

26 (b) On or before July 1, 2001, and every two years thereafter,
27 the department shall submit the adopted five-year plan to the
28 appropriate policy and fiscal committees of the Legislature. The
29 department shall include in the plan, programmatic and fiscal issues
30 including, but not limited to, the hierarchy used by the department
31 to maximize productive uses of waste and used tires, and the
32 performance objectives and measurement criteria used by the
33 department to evaluate the success of its waste and used tire
34 recycling program. Additionally, the plan shall describe each
35 program element's effectiveness, based upon performance measures
36 developed by the department, including, but not limited to, the
37 following:

38 (1) Enforcement and regulations relating to the storage of waste
39 and used tires.

1 (2) Cleanup, abatement, or other remedial action related to waste
2 tire stockpiles throughout the state.

3 (3) Research directed at promoting and developing alternatives
4 to the landfill disposal of waste tires.

5 (4) Market development and new technology activities for used
6 tires and waste tires.

7 (5) The waste and used tire hauler program, the registration of,
8 and reporting by, tire brokers, and the manifest system.

9 (6) A description of the grants, loans, contracts, and other
10 expenditures proposed to be made by the department under the
11 tire recycling program.

12 (7) Until June 30, 2015, the grant program authorized under
13 Section 42872.5 to encourage the use of waste tires, including, but
14 not limited to, rubberized asphalt concrete technology, in public
15 works projects.

16 (8) Border region activities, conducted in coordination with the
17 California Environmental Protection Agency, including, but not
18 limited to, all of the following:

19 (A) Training programs to assist Mexican waste and used tire
20 haulers to meet the requirements for hauling those tires in
21 California.

22 (B) Environmental education training.

23 (C) Development of a waste tire abatement plan, with the
24 appropriate government entities of California and Mexico.

25 (D) Tracking both the legal and illegal waste and used tire flow
26 across the border and recommended revisions to the waste tire
27 policies of California and Mexico.

28 (E) Coordination with businesses operating in the border region
29 and with Mexico, with regard to applying the same environmental
30 and control requirements throughout the border region.

31 (F) Development of projects in Mexico in the California-Mexico
32 border region, as defined by the La Paz Agreement, that include,
33 but are not limited to, education, infrastructure, mitigation, cleanup,
34 prevention, reuse, and recycling projects, that address the
35 movement of used tires from California to Mexico that are
36 eventually disposed of in California.

37 (9) *Grants to certified community conservation corps and*
38 *community conservation corps, pursuant to paragraph (3) of*
39 *subdivision (a) of, and paragraph (3) of subdivision (b) of, Section*

1 *17001, for purposes of the programs specified in paragraphs (2)*
2 *and (6) and for related education and outreach.*

3 (c) The department shall base the budget for the California Tire
4 Recycling Act and program funding on the plan.

5 (d) The plan may not propose financial or other support that
6 promotes, or provides for research for the incineration of tires.

7 *SEC. 152. Section 42889 of the Public Resources Code, as*
8 *amended by Section 33 of Chapter 401 of the Statutes of 2013, is*
9 *amended to read:*

10 42889. (a) Of the moneys collected pursuant to Section 42885,
11 an amount equal to seventy-five cents (\$0.75) per tire on which
12 the fee is imposed shall be transferred by the State Board of
13 Equalization to the Air Pollution Control Fund. The state board
14 shall expend those moneys, or allocate those moneys to the districts
15 for expenditure, to fund programs and projects that mitigate or
16 remediate air pollution caused by tires in the state, to the extent
17 that the state board or the applicable district determines that the
18 program or project remediates air pollution harms created by tires
19 upon which the fee described in Section 42885 is imposed.

20 (b) The remaining moneys collected pursuant to Section 42885
21 shall be used to fund the waste tire program, and shall be
22 appropriated to the department in the annual Budget Act in a
23 manner consistent with the five-year plan adopted and updated by
24 the department. These moneys shall be expended for the payment
25 of refunds under this chapter and for the following purposes:

26 (1) To pay the administrative overhead cost of this chapter, not
27 to exceed 6 percent of the total revenue deposited in the fund
28 annually, or an amount otherwise specified in the annual Budget
29 Act.

30 (2) To pay the costs of administration associated with collection,
31 making refunds, and auditing revenues in the fund, not to exceed
32 3 percent of the total revenue deposited in the fund, as provided
33 in subdivision (c) of Section 42885.

34 (3) To pay the costs associated with operating the tire recycling
35 program specified in Article 3 (commencing with Section 42870).

36 (4) To pay the costs associated with the development and
37 enforcement of regulations relating to the storage of waste tires
38 and used tires. The department shall consider designating a city,
39 county, or city and county as the enforcement authority of
40 regulations relating to the storage of waste tires and used tires, as

provided in subdivision (c) of Section 42850, and regulations relating to the hauling of waste and used tires, as provided in subdivision (b) of Section 42963. If the department designates a local entity for that purpose, the department shall provide sufficient, stable, and noncompetitive funding to that entity for that purpose, based on available resources, as provided in the five-year plan adopted and updated as provided in subdivision (a) of Section 42885.5. The department may consider and create, as appropriate, financial incentives for citizens who report the illegal hauling or disposal of waste tires as a means of enhancing local and statewide waste tire and used tire enforcement programs.

(5) To pay the costs of cleanup, abatement, removal, or other remedial action related to waste tire stockpiles throughout the state, including all approved costs incurred by other public agencies involved in these activities by contract with the department. Not less than six million five hundred thousand dollars (\$6,500,000) shall be expended by the department during each of the following fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

(6) To make studies and conduct research directed at promoting and developing alternatives to the landfill disposal of waste tires.

(7) To assist in developing markets and new technologies for used tires and waste tires. The department's expenditure of funds for purposes of this subdivision shall reflect the priorities for waste management practices specified in subdivision (a) of Section 40051.

(8) To pay the costs associated with implementing and operating a waste tire and used tire hauler program and manifest system pursuant to Chapter 19 (commencing with Section 42950).

(9) To pay the costs to create and maintain an emergency reserve, which shall not exceed one million dollars (\$1,000,000).

(10) To pay the costs of cleanup, abatement, or other remedial action related to the disposal of waste tires in implementing and operating the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program established pursuant to Chapter 2.5 (commencing with Section 48100) of Part 7.

(11) To fund border region activities specified in paragraph (8) of subdivision (b) of Section 42885.5.

(12) *For expenditure pursuant to paragraph (3) of subdivision (a) of, and paragraph (3) of subdivision (b) of, Section 17001.*

1 (c) This section shall remain in effect only until January 1, 2024,
2 and as of that date is repealed, unless a later enacted statute that
3 is enacted before January 1, 2024, deletes or extends that date.

4 *SEC. 153. Section 42889 of the Public Resources Code, as*
5 *amended by Section 34 of Chapter 401 of the Statutes of 2013, is*
6 *amended to read:*

7 42889. Funding for the waste tire program shall be appropriated
8 to the department in the annual Budget Act. The moneys in the
9 fund shall be expended for the payment of refunds under this
10 chapter and for the following purposes:

11 (a) To pay the administrative overhead cost of this chapter, not
12 to exceed 5 percent of the total revenue deposited in the fund
13 annually, or an amount otherwise specified in the annual Budget
14 Act.

15 (b) To pay the costs of administration associated with collection,
16 making refunds, and auditing revenues in the fund, not to exceed
17 3 percent of the total revenue deposited in the fund, as provided
18 in subdivision (b) of Section 42885.

19 (c) To pay the costs associated with operating the tire recycling
20 program specified in Article 3 (commencing with Section 42870).

21 (d) To pay the costs associated with the development and
22 enforcement of regulations relating to the storage of waste tires
23 and used tires. The department shall consider designating a city,
24 county, or city and county as the enforcement authority of
25 regulations relating to the storage of waste tires and used tires, as
26 provided in subdivision (c) of Section 42850, and regulations
27 relating to the hauling of waste and used tires, as provided in
28 subdivision (b) of Section 42963. If the department designates a
29 local entity for that purpose, the department shall provide sufficient,
30 stable, and noncompetitive funding to that entity for that purpose,
31 based on available resources, as provided in the five-year plan
32 adopted and updated as provided in subdivision (a) of Section
33 42885.5. The department may consider and create, as appropriate,
34 financial incentives for citizens who report the illegal hauling or
35 disposal of waste tires as a means of enhancing local and statewide
36 waste tire and used tire enforcement programs.

37 (e) To pay the costs of cleanup, abatement, removal, or other
38 remedial action related to waste tire stockpiles throughout the state,
39 including all approved costs incurred by other public agencies
40 involved in these activities by contract with the department. Not

1 less than six million five hundred thousand dollars (\$6,500,000)
2 shall be expended by the department during each of the following
3 fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

4 (f) To fund border region activities specified in paragraph (8)
5 of subdivision (b) of Section 42885.5.

6 (g) *For expenditure pursuant to paragraph (3) of subdivision*
7 *(a) of, and paragraph (3) of subdivision (b) of, Section 17001.*

8 ~~(g)~~

9 (h) This section shall become operative on January 1, 2024.

10 *SEC. 154. Section 48653 of the Public Resources Code is*
11 *amended to read:*

12 48653. The board shall deposit all amounts paid pursuant to
13 Section 48650 by manufacturers, civil penalties, and fines paid
14 pursuant to this chapter, and all other revenues received pursuant
15 to this chapter into the California Used Oil Recycling Fund, which
16 is hereby created in the State Treasury. Notwithstanding Section
17 13340 of the Government Code, the money in the fund is to be
18 appropriated solely as follows:

19 (a) Continuously appropriated to the board for expenditure for
20 the following purposes:

21 (1) To pay recycling incentives pursuant to Section 48651.

22 (2) To provide a reserve for contingencies, as may be available
23 after making other payments required by this section, in an amount
24 not to exceed one million dollars (\$1,000,000).

25 (3) (A) To make payments for the implementation of local used
26 oil collection programs adopted pursuant to Article 10
27 (commencing with Section 48690) to cities, based on the city's
28 population, and counties, based on the population of the
29 unincorporated area of the county. Payment shall be determined
30 by multiplying the total annual amount by the fraction equal to the
31 population of cities and counties that are eligible for payments
32 pursuant to Section 48690, divided by the population of the state.
33 The board shall use the latest population estimates of the state
34 generated by the Population Research Unit of the Department of
35 Finance in making the calculations required by this paragraph.
36 Notwithstanding subdivision (b) of Section 48656, the total annual
37 amount shall equal eleven million dollars (\$11,000,000), subject
38 to subparagraph (B).

1 (B) If sufficient funds are not available to initially issue full
2 funding pursuant to subparagraph (A), the board shall provide
3 funding as follows:

4 (i) For the purposes set forth in this paragraph, one-half of the
5 amount that remains in the fund after the expenditures are made
6 pursuant to paragraphs (1) and (2) and subdivision (b). The board
7 may utilize additional amounts from the fund, up to, but not
8 exceeding, eleven million dollars (\$11,000,000).

9 (ii) As the board finds is fiscally appropriate, for the purposes
10 set forth in Section 48656. The board shall give priority to the
11 distribution of funding in clause (i) for the purposes of this
12 paragraph.

13 (C) Pursuant to paragraph (2) of subdivision (d) of Section
14 48691, it is the intent of this paragraph that at least one million
15 dollars (\$1,000,000) be made available specifically for used oil
16 filter collection and recycling programs.

17 (4) To implement Section 48660.5, in an amount not to exceed
18 two hundred thousand dollars (\$200,000) annually.

19 (5) For expenditures pursuant to Section 48656.

20 (b) The money in the fund may be expended by the board for
21 the administration of this chapter and by the department for
22 inspections and reports pursuant to Section 48661, only upon
23 appropriation by the Legislature in the annual Budget Act.

24 (c) (1) Except as provided in paragraph (2), the money in the
25 fund may be transferred to the Farm and Ranch Solid Waste
26 Cleanup and Abatement Account in the General Fund, upon
27 appropriation by the Legislature in the annual Budget Act, to pay
28 the costs associated with implementing and operating the Farm
29 and Ranch Solid Waste Cleanup and Abatement Grant Program
30 established pursuant to Chapter 2.5 (commencing with Section
31 48100).

32 (2) The money in the fund attributable to a charge increase or
33 adjustment made or authorized in an amendment to subdivision
34 (a) of Section 48650 by the act adding this paragraph shall not be
35 transferred to the Farm and Ranch Solid Waste Cleanup and
36 Abatement Account.

37 (d) *The money in the fund may be expended by the Department*
38 *of Resources Recycling and Recovery, upon appropriation by the*
39 *Legislature, pursuant to paragraph (4) of subdivision (a) of, and*
40 *paragraph (4) of subdivision (b) of, Section 17001.*

1 ~~(d)~~
2 (e) Appropriations to the board to pay the costs necessary to
3 administer this chapter shall not exceed three million dollars
4 (\$3,000,000) annually.

5 ~~(e)~~
6 (f) The Legislature hereby finds and declares its intent that three
7 hundred fifty thousand dollars (\$350,000) should be annually
8 appropriated from the California Used Oil Recycling Fund in the
9 annual Budget Act to the board, commencing with fiscal year
10 2010–11, for the purposes of Section 48655 and to conduct those
11 investigations and enforcement actions necessary to ensure a used
12 oil storage facility or used oil transfer facility causes the used
13 lubricating oil to be transported, as required by subdivision (a) of
14 Section 48651.

15 *SEC. 155. Section 71116 of the Public Resources Code is*
16 *amended to read:*

17 71116. (a) The Environmental Justice Small Grant Program
18 is hereby established under the jurisdiction of the California
19 Environmental Protection Agency. The California Environmental
20 Protection Agency shall adopt regulations for the implementation
21 of this section. These regulations shall include, but need not be
22 limited to, all of the following:

23 (1) Specific criteria and procedures for the implementation of
24 the program.

25 (2) A requirement that each grant recipient submit a written
26 report to the agency documenting its expenditures of the grant
27 funds and the results of the funded project.

28 (3) Provisions promoting the equitable distribution of grant
29 funds in a variety of areas throughout the state, with the goal of
30 making grants available to organizations that will attempt to
31 address environmental justice issues.

32 (b) The purpose of the program is to provide grants to eligible
33 community groups, including, but not limited to, community-based,
34 grassroots nonprofit organizations that are located in areas
35 adversely affected by environmental pollution and hazards and
36 that are involved in work to address environmental justice issues.

37 (c) (1) Both of the following are eligible to receive moneys
38 from the fund.

39 (A) A nonprofit entity.

40 (B) A federally recognized tribal government.

1 (2) For the purposes of this section, “nonprofit entity” means
2 any corporation, trust, association, cooperative, or other
3 organization that meets all of the following criteria:

4 (A) Is operated primarily for scientific, educational, service,
5 charitable, or other similar purposes in the public interest.

6 (B) Is not organized primarily for profit.

7 (C) Uses its net proceeds to maintain, improve, or expand, or
8 any combination thereof, its operations.

9 (D) Is a tax-exempt organization under Section 501 (c)(3) of
10 the federal Internal Revenue Code, or is able to provide evidence
11 to the agency that the state recognizes the organization as a
12 nonprofit entity.

13 (3) For the purposes of this section, “nonprofit entity”
14 specifically excludes an organization that is a tax-exempt
15 organization under Section 501 (c)(4) of the federal Internal
16 Revenue Code.

17 (d) Individuals may not receive grant moneys from the fund.

18 (e) Grant recipients shall use the grant award to fund only the
19 project described in the recipient’s application. Recipients shall
20 not use the grant funding to shift moneys from existing or proposed
21 projects to activities for which grant funding is prohibited under
22 subdivision (g).

23 (f) Grants shall be awarded on a competitive basis for projects
24 that are based in communities with the most significant exposure
25 to pollution. Grants shall be limited to any of the following
26 purposes and no other:

27 (1) Resolve environmental problems through distribution of
28 information.

29 (2) Identify improvements in communication and coordination
30 among agencies and stakeholders in order to address the most
31 significant exposure to pollution.

32 (3) Expand the understanding of a community about the
33 environmental issues that affect their community.

34 (4) Develop guidance on the relative significance of various
35 environmental risks.

36 (5) Promote community involvement in the decisionmaking
37 process that affects the environment of the community.

38 (6) Present environmental data for the purposes of enhancing
39 community understanding of environmental information systems
40 and environmental information.

(g) (1) The agency shall not award grants for, and grant funding shall not be used for, any of the following:

(A) Other state grant programs.

(B) Lobbying or advocacy activities relating to any federal, state, regional, or local legislative, quasi-legislative, adjudicatory, or quasi-judicial proceeding involving development or adoption of statutes, guidelines, rules, regulations, plans or any other governmental proposal, or involving decisions concerning siting, permitting, licensing, or any other governmental action.

(C) Litigation, administrative challenges, enforcement action, or any type of adjudicatory proceeding.

(D) Funding of a lawsuit against any governmental entity.

(E) Funding of a lawsuit against a business or a project owned by a business.

(F) Matching state or federal funding.

(G) Performance of any technical assessment for purposes of opposing or contradicting a technical assessment prepared by a public agency.

(2) An organization's use of funds from a grant awarded under this section to educate a community regarding an environmental justice issue or a governmental process does not preclude that organization from subsequent lobbying or advocacy concerning that same issue or governmental process, as long as the lobbying or advocacy is not funded by a grant awarded under this section.

(h) The agency shall review, evaluate, and select grant recipients, and screen grant applications to ensure that they meet the requirements of this section.

(i) The maximum amount of a grant provided pursuant to this section may not exceed ~~twenty thousand dollars (\$20,000)~~. *fifty thousand dollars (\$50,000)*.

(j) For the purposes of this section, "environmental justice" has the same meaning as defined in Section 65040.12 of the Government Code.

~~(k) This section shall be implemented only during fiscal years for which an appropriation is provided for the purposes of this section in the annual Budget Act or in another statute.~~

(k) The Secretary for Environmental Protection may expend up to one million five hundred thousand dollars (\$1,500,000) per year for the purposes of this section.

1 *(l) Board, departments, and offices within the California*
2 *Environmental Protection Agency may allocate funds from various*
3 *special funds, settlements, and penalties to implement this program.*

4 *SEC. 156. Section 379.6 of the Public Utilities Code is amended*
5 *to read:*

6 379.6. (a) (1) It is the intent of the Legislature that the
7 self-generation incentive program increase deployment of
8 distributed generation and energy storage systems to facilitate the
9 integration of those resources into the electrical grid, improve
10 efficiency and reliability of the distribution and transmission
11 system, and reduce emissions of greenhouse gases, peak demand,
12 and ratepayer costs. It is the further intent of the Legislature that
13 the commission, in future proceedings, provide for an equitable
14 distribution of the costs and benefits of the program.

15 (2) The commission, in consultation with the Energy
16 Commission, may authorize the annual collection of not more than
17 the amount authorized for the self-generation incentive program
18 in the 2008 calendar year, through December 31, ~~2014~~, 2019. The
19 commission shall require the administration of the program for
20 distributed energy resources originally established pursuant to
21 Chapter 329 of the Statutes of 2000 until January 1, ~~2016~~, 2021.
22 On January 1, ~~2016~~, 2021, the commission shall provide repayment
23 of all unallocated funds collected pursuant to this section to reduce
24 ratepayer costs.

25 (3) The commission shall administer solar technologies
26 separately, pursuant to the California Solar Initiative adopted by
27 the commission in ~~Decision 06-01-024~~. *Decisions 05-12-044 and*
28 *06-01-024, as modified by Article 1 (commencing with Section*
29 *2851) of Chapter 9 of Part 2 of Division 1 of this code and Chapter*
30 *8.8 (commencing with Section 25780) of Division 15 of the Public*
31 *Resources Code.*

32 (b) (1) Eligibility for incentives under the *self-generation*
33 *incentive* program shall be limited to distributed energy resources
34 that the commission, in consultation with the State Air Resources
35 Board, determines will achieve reductions *in emissions* of
36 ~~greenhouse gas emissions~~ *gases* pursuant to the California Global
37 Warming Solutions Act of 2006 (Division 25.5 (commencing with
38 Section 38500) of the Health and Safety Code).

39 (2) *On or before July 1, 2015, the commission shall update the*
40 *factor for avoided greenhouse gas emissions based on the most*

1 recent data available to the State Air Resources Board for
2 greenhouse gas emissions from electricity sales in the
3 self-generation incentive program administrators' service areas
4 as well as current estimates of greenhouse gas emissions over the
5 useful life of the distributed energy resource, including
6 consideration of the effects of the California Renewables Portfolio
7 Standard.

8 (c) Eligibility for the funding of any combustion-operated
9 distributed generation projects using fossil fuel is subject to all of
10 the following conditions:

11 (1) An oxides of nitrogen (NO_x) emissions rate standard of 0.07
12 pounds per megawatthour and a minimum efficiency of 60 percent,
13 or any other NO_x emissions rate and minimum efficiency standard
14 adopted by the State Air Resources Board. A minimum efficiency
15 of 60 percent shall be measured as useful energy output divided
16 by fuel input. The efficiency determination shall be based on 100
17 percent load.

18 (2) Combined heat and power units that meet the 60-percent
19 efficiency standard may take a credit to meet the applicable NO_x
20 emissions standard of 0.07 pounds per megawatthour. Credit shall
21 be at the rate of one megawatthour for each ~~3.4 million~~ 3,400,000
22 British thermal units (Btus) of heat recovered.

23 (3) The customer receiving incentives shall adequately maintain
24 and service the combined heat and power units so that during
25 ~~operation~~, operation the system continues to meet or exceed the
26 efficiency and emissions standards established pursuant to
27 paragraphs (1) and (2).

28 (4) Notwithstanding paragraph (1), a project that does not meet
29 the applicable NO_x emissions standard is eligible if it meets both
30 of the following requirements:

31 (A) The project operates solely on waste gas. The commission
32 shall require a customer that applies for an incentive pursuant to
33 this paragraph to provide an affidavit or other form of proof that
34 specifies that the project shall be operated solely on waste gas.
35 Incentives awarded pursuant to this paragraph shall be subject to
36 refund and shall be refunded by the recipient to the extent the
37 project does not operate on waste gas. As used in this paragraph,
38 "waste gas" means natural gas that is generated as a byproduct of
39 petroleum production operations and is not eligible for delivery
40 to the utility pipeline system.

1 (B) The air quality management district or air pollution control
2 district, in issuing a permit to operate the project, determines that
3 operation of the project will produce an onsite net air emissions
4 benefit, compared to permitted onsite emissions if the project does
5 not operate. The commission shall require the customer to secure
6 the permit prior to receiving incentives.

7 (d) In determining the eligibility for the self-generation incentive
8 program, minimum system efficiency shall be determined either
9 by calculating electrical and process heat efficiency as set forth in
10 Section 216.6, or by calculating overall electrical efficiency.

11 *(e) Eligibility for incentives under the program shall be limited*
12 *to distributed energy resource technologies that the commission*
13 *determines meet all of the following requirements:*

14 *(1) The distributed energy resource technology is capable of*
15 *reducing demand from the grid by offsetting some or all of the*
16 *customer's onsite energy load, including, but not limited to, peak*
17 *electric demand.*

18 *(2) The distributed energy resource technology is commercially*
19 *available.*

20 *(3) The distributed energy resource technology safely utilizes*
21 *the existing transmission and distribution system.*

22 *(4) The distributed energy resource technology improves air*
23 *quality by reducing criteria air pollutants.*

24 *(f) Recipients of the self-generation incentive program funds*
25 *shall provide relevant data to the commission and the State Air*
26 *Resources Board, upon request, and shall be subject to onsite*
27 *inspection to verify equipment operation and performance,*
28 *including capacity, thermal output, and usage to verify criteria*
29 *air pollutant and greenhouse gas emissions performance.*

30 *(g) In administering the self-generation incentive program, the*
31 *commission shall determine a capacity factor for each distributed*
32 *generation system energy resource technology in the program.*

33 ~~(e)~~

34 *(h) (1) In administering the self-generation incentive program,*
35 *the commission may adjust the amount of rebates and evaluate*
36 *other public policy interests, including, but not limited to,*
37 *ratepayers, energy efficiency, peak load reduction, load*
38 *management, and environmental interests.*

39 *(2) The commission shall consider the relative amount and the*
40 *cost of greenhouse gas emission reductions, peak demand*

1 *reductions, system reliability benefits, and other measurable factors*
2 *when allocating program funds between eligible technologies.*

3 ~~(f)~~

4 (i) The commission shall ensure that distributed generation
5 resources are made available in the program for all ratepayers.

6 ~~(g) (1)~~

7 (j) In administering the self-generation incentive program, the
8 commission shall provide an additional incentive of 20 percent
9 from existing program funds for the installation of eligible
10 distributed generation resources ~~from a California supplier~~.
11 *manufactured in California.*

12 ~~(2) “California supplier” as used in this subdivision means any~~
13 ~~sole proprietorship, partnership, joint venture, corporation, or other~~
14 ~~business entity that manufactures eligible distributed generation~~
15 ~~resources in California and that meets either of the following~~
16 ~~criteria:~~

17 ~~(A) The owners or policymaking officers are domiciled in~~
18 ~~California and the permanent principal office, or place of business~~
19 ~~from which the supplier’s trade is directed or managed, is located~~
20 ~~in California.~~

21 ~~(B) A business or corporation, including those owned by, or~~
22 ~~under common control of, a corporation, that meets all of the~~
23 ~~following criteria continuously during the five years prior to~~
24 ~~providing eligible distributed generation resources to a~~
25 ~~self-generation incentive program recipient:~~

26 ~~(i) Owns and operates a manufacturing facility located in~~
27 ~~California that builds or manufactures eligible distributed~~
28 ~~generation resources.~~

29 ~~(ii) Is licensed by the state to conduct business within the state.~~

30 ~~(iii) Employs California residents for work within the state.~~

31 ~~(3) For purposes of qualifying as a California supplier, a~~
32 ~~distribution or sales management office or facility does not qualify~~
33 ~~as a manufacturing facility.~~

34 ~~(h)~~

35 (k) The costs of the program adopted and implemented pursuant
36 to this section shall not be recovered from customers participating
37 in the California Alternate Rates for Energy (CARE) program.

38 (l) *The commission shall evaluate the overall success and impact*
39 *of the self-generation incentive program based on the following*
40 *performance measures:*

1 (1) *The amount of reductions of emissions of greenhouse gases.*

2 (2) *The amount of reductions of emissions of criteria air*
3 *pollutants measured in terms of avoided emissions and reductions*
4 *of criteria air pollutants represented by emissions credits secured*
5 *for project approval.*

6 (3) *The amount of energy reductions measured in energy value.*

7 (4) *The amount of reductions of aggregate noncoincident*
8 *customer peak demand.*

9 (5) *The ratio of the electricity generated by distributed energy*
10 *resource projects receiving incentives from the program to the*
11 *electricity capable of being produced by those distributed energy*
12 *resource projects, commonly known as a capacity factor.*

13 (6) *The value to the electrical transmission and distribution*
14 *system measured in avoided costs of transmission and distribution*
15 *upgrades and replacement.*

16 (7) *The ability to improve onsite electricity reliability as*
17 *compared to onsite electricity reliability before the self-generation*
18 *incentive program technology was placed in service.*

19 SEC. 156.5. *Section 1807 of the Public Utilities Code is*
20 *amended to read:*

21 1807. ~~Any~~(a) *An award made under this article shall be paid*
22 *by the public utility—~~which~~ that is the subject of the hearing,*
23 *investigation, or proceeding, as determined by the commission,*
24 *within 30 days. Notwithstanding any other ~~provision of law, any~~*
25 *an award paid by a public utility pursuant to this article shall be*
26 *allowed by the commission as an expense for the purpose of*
27 *establishing rates of the public utility by way of a dollar-for-dollar*
28 *adjustment to rates imposed by the commission immediately on*
29 *the determination of the amount of the award, so that the amount*
30 *of the award shall be fully recovered within one year from the date*
31 *of the award.*

32 (b) *Due to the bankruptcy of Sacramento Natural Gas Storage,*
33 *the commission's intervenor compensation award to the Avondale*
34 *Glen Elder Neighborhood Association in A.07-04-013 has been*
35 *reduced to a fraction of the amount awarded. In this limited*
36 *circumstance, the commission may pay to the Avondale Glen Elder*
37 *Neighborhood Association the difference between the amount*
38 *received from the bankruptcy court and the amount awarded by*
39 *the commission by increasing the fees collected in section 401 for*
40 *the limited purpose of D. 13-11-018.*

1 SEC. 157. Section 46001.5 is added to the Revenue and
2 Taxation Code, to read:

3 46001.5. (a) The board may adopt regulations relating to the
4 administration and enforcement of this part pursuant to the
5 Administrative Procedure Act (Chapter 3.5 (commencing with
6 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
7 Code).

8 (b) An emergency regulation adopted pursuant to amendments
9 made to this part by Assembly Bill 1466 of the 2013–14 Regular
10 Session shall be deemed an emergency and necessary to avoid
11 serious harm to the public peace, health, safety, or general welfare
12 for the purposes of Sections 11346.1 and 11349.6 of the
13 Government Code, and the board is hereby exempt from the
14 requirement that it describe facts showing the need for immediate
15 action and from review by the Office of Administrative Law.

16 SEC. 158. Section 46002 of the Revenue and Taxation Code
17 is amended to read:

18 46002. The collection and administration of the fees referred
19 to in Sections 46051 and 46052 shall be governed by the definitions
20 contained in Chapter 7.4 (commencing with Section 8670.1) of
21 Division 1 of Title 2 of the Government Code, ~~unless expressly~~
22 ~~otherwise provided by the definitions contained in and this part.~~

23 SEC. 159. Section 46006 of the Revenue and Taxation Code
24 is amended to read:

25 46006. “Administrator” means ~~the chief deputy director of the~~
26 ~~Department of Fish and Game~~ person appointed by the Governor
27 pursuant to Section 8670.4 of the Government Code ~~to implement~~
28 ~~the Lempert-Keene-Seastrand Oil Spill Prevention and Response~~
29 ~~Act (Chapter 7.4 (commencing with Section 8670.1) of Division 1~~
30 ~~of Title 2 of the Government Code).~~

31 SEC. 160. Section 46007 of the Revenue and Taxation Code
32 is amended to read:

33 46007. “Barges” means ~~any relatively flat-bottomed,~~
34 ~~waterborne vessel which is propelled by being pulled or pushed~~
35 ~~by another vessel, and is constructed or adapted to carry crude oil~~
36 ~~or petroleum products in commercial quantities as cargo vessels~~
37 ~~that carry oil in commercial quantities as cargo but are not~~
38 ~~equipped with a means of self-propulsion.~~

39 SEC. 161. Section 46008 of the Revenue and Taxation Code
40 is repealed.

1 ~~46008. “Barrel” means 42 gallons of crude oil or petroleum~~
2 ~~products.~~

3 *SEC. 162. Section 46010 of the Revenue and Taxation Code*
4 *is amended to read:*

5 46010. “Crude oil” means petroleum in an unrefined or natural
6 state, including condensate and natural gasoline, *and including*
7 *substances that enhance, cut, thin, or reduce viscosity.*

8 *SEC. 163. Section 46011 of the Revenue and Taxation Code*
9 *is repealed.*

10 ~~46011. “Discharge” means any release of at least one barrel of~~
11 ~~oil into marine waters which is not authorized by any federal, state,~~
12 ~~or local government entity.~~

13 *SEC. 164. Section 46011 is added to the Revenue and Taxation*
14 *Code, to read:*

15 46011. (a) “Facility” means any of the following located in
16 state waters or located where an oil spill may impact state waters:

17 (1) A building, structure, installation, or equipment used in oil
18 exploration, oil well drilling operations, oil production, oil refining,
19 oil storage, oil gathering, oil processing, oil transfer, oil
20 distribution, or oil transportation.

21 (2) A marine terminal.

22 (3) A pipeline that transports oil.

23 (4) A railroad that transports oil as cargo.

24 (5) A drill ship, semisubmersible drilling platform, jack-up type
25 drilling rig, or any other floating or temporary drilling platform.

26 (b) “Facility” does not include any of the following:

27 (1) A vessel, except a vessel located and used for any purpose
28 described in paragraph (5) of subdivision (a).

29 (2) An owner or operator subject to Chapter 6.67 (commencing
30 with Section 25270) of or Chapter 6.75 (commencing with Section
31 25299.10) of Division 20 of the Health and Safety Code.

32 (3) Operations on a farm, nursery, logging site, or construction
33 site that are either of the following:

34 (A) Do not exceed 20,000 gallons in a single storage tank.

35 (B) Have a useable tank storage capacity not exceeding 75,000
36 gallons.

37 (4) A small craft refueling dock.

38 *SEC. 165. Section 46013 of the Revenue and Taxation Code*
39 *is amended to read:*

1 46013. “Feepayer” means any person ~~who may be~~ liable for
2 the payment of a fee imposed by either Section 8670.40 or 8670.48
3 of the Government Code.

4 *SEC. 166. Section 46014 of the Revenue and Taxation Code*
5 *is repealed.*

6 46014. ~~“Independent crude oil producer” means any person or~~
7 ~~entity producing crude oil within this state who does not refine~~
8 ~~crude oil into product, and who does not own or operate any retail~~
9 ~~gasoline marketing facilities.~~

10 *SEC. 167. Section 46015 of the Revenue and Taxation Code*
11 *is repealed.*

12 46015. ~~“Local government” means any chartered or general~~
13 ~~law city, chartered or general law county, or any city and county.~~

14 *SEC. 168. Section 46016 of the Revenue and Taxation Code*
15 *is repealed.*

16 46016. ~~“Marine facility” means any facility of any kind, other~~
17 ~~than a vessel, which is or was used for the purposes of exploring~~
18 ~~for, drilling for, producing, storing, handling, transferring,~~
19 ~~processing, refining, or transporting crude oil or petroleum products~~
20 ~~and is located in marine waters, or is located where a discharge~~
21 ~~could impact marine waters unless the facility, (1) is subject to~~
22 ~~Chapter 6.67 (commencing with Section 25270) or Chapter 6.75~~
23 ~~(commencing with Section 25299.10) of Division 20 of the Health~~
24 ~~and Safety Code or, (2) is placed on a farm, nursery, logging site,~~
25 ~~small craft refueling dock as defined in Section 8670.3 of the~~
26 ~~Government Code, or construction site and does not exceed 20,000~~
27 ~~gallons in a single storage tank. For the purposes of this part, a~~
28 ~~drill ship, semisubmersible drilling platform, jack-up type drilling~~
29 ~~rig, or any other floating or temporary drilling platform is a “marine~~
30 ~~facility.”~~

31 *SEC. 169. Section 46017 of the Revenue and Taxation Code*
32 *is amended to read:*

33 46017. “Marine terminal” means any ~~marine~~ facility used for
34 transferring crude oil or petroleum products to or from tankers or
35 barges. For the purposes of this part, a marine terminal includes
36 all piping not integrally connected to a tank facility as defined in
37 subdivision ~~(k)~~ (n) of Section 25270.2 of the Health and Safety
38 Code.

39 *SEC. 170. Section 46018 of the Revenue and Taxation Code*
40 *is repealed.*

1 ~~46018. “Marine waters” means those waters subject to tidal~~
2 ~~influence, and includes the waterways used for waterborne~~
3 ~~commercial vessel traffic to the Port of Sacramento and the Port~~
4 ~~of Stockton.~~

5 *SEC. 171. Section 46018 is added to the Revenue and Taxation*
6 *Code, to read:*

7 46018. “Oil” means any kind of petroleum, liquid
8 hydrocarbons, or petroleum products or any fraction or residues
9 therefrom, including, but not limited to, crude oil, bunker fuel,
10 gasoline, diesel fuel, aviation fuel, oil sludge, oil refuse, oil mixed
11 with waste, and liquid distillates from unprocessed natural gas.

12 *SEC. 172. Section 46019 of the Revenue and Taxation Code*
13 *is repealed.*

14 ~~46019. (a) “Operator” means any of the following:~~

15 ~~(1) Any person who owns, operates, charters by demise, or~~
16 ~~leases a vessel.~~

17 ~~(2) Any person who owns or operates a marine facility.~~

18 ~~(3) Any person who owns or operates a marine pipeline.~~

19 ~~(4) Any person who owns or operates a refinery.~~

20 ~~(b) “Operator” does not include a person who, without~~
21 ~~participating in the management of a vessel or marine facility,~~
22 ~~holds indicia of ownership primarily to protect his or her security~~
23 ~~interest in the vessel or marine facility. Also, “operator” does not~~
24 ~~include any person who owns the land beneath a marine facility~~
25 ~~or the facility itself if the person is not involved in the operation~~
26 ~~of the facility.~~

27 *SEC. 173. Section 46023 of the Revenue and Taxation Code*
28 *is amended to read:*

29 46023. “Refinery” means a facility ~~or location which~~ *that*
30 refines crude oil, including condensate and natural gasoline, into
31 petroleum products, lubricating oils, coke, or asphalt.

32 *SEC. 174. Section 46024 of the Revenue and Taxation Code*
33 *is repealed.*

34 ~~46024. “Responsible party” or “party responsible” means any~~
35 ~~of the following:~~

36 ~~(a) The owner or transporter of crude oil or petroleum products~~
37 ~~or a person or entity accepting responsibility for the crude oil or~~
38 ~~petroleum products.~~

~~(b) The owner, operator, or lessee of, or person who charters by demise, any vessel or marine facility, or a person or entity accepting responsibility for the vessel or marine facility.~~

SEC. 175. Section 46025 of the Revenue and Taxation Code is repealed.

~~46025. “Spill” means any release of at least one barrel of crude oil or petroleum products into marine waters which is not authorized by any federal, state, or local government entity.~~

SEC. 176. Section 46027 of the Revenue and Taxation Code is repealed.

~~46027. “State oil spill contingency plan” means the California oil spill contingency plan prepared pursuant to Article 3.5 (commencing with Section 8574.1) of Chapter 7 of Division 1 of Title 2 of the Government Code.~~

SEC. 177. Section 46027 is added to the Revenue and Taxation Code, to read:

46027. “State waters” or “waters of the state” means any surface water, including saline waters, marine waters, and freshwaters, within the boundaries of the state but does not include groundwater.

SEC. 178. Section 46028 of the Revenue and Taxation Code is amended to read:

~~46028. “Tanker” means any a self-propelled, waterborne vessel, vessel that is constructed or adapted for the carriage of crude oil or petroleum products in bulk or in commercial quantities as cargo.~~

SEC. 179. Section 46101 of the Revenue and Taxation Code is amended to read:

~~46101. Every person who operates an oil refinery in this state, a marine terminal in marine waters of the state, or operates a pipeline across, under, or through marine waters or any pipeline to transport crude oil or petroleum products out of the state shall register with the board.~~

SEC. 180. Section 5024 of the Vehicle Code is amended to read:

5024. (a) A person described in Section 5101 may also apply for a set of commemorative collegiate reflectorized license plates, and the department shall issue those special license plates in lieu of the regular license plates. The collegiate reflectorized plates shall be of a distinctive design, and shall be available in a special series of letters or numbers, or both, as determined by the

1 department. The collegiate reflectorized plates shall also contain
2 the name of the participating institution as well as the reflectorized
3 logotype, motto, symbol, or other distinctive design, as approved
4 by the department, representing the participating university or
5 college selected by the applicant. The department may issue the
6 commemorative collegiate reflectorized license plates as
7 environmental license plates, as defined in Section 5103, in a
8 combination of numbers or letters, or both, as requested by the
9 owner or lessee of the vehicle.

10 (b) Any public or private postsecondary educational institution
11 in the state, which is accredited or has been accepted as a
12 recognized candidate for accreditation by the Western Association
13 of Schools and Colleges, may indicate to the department its
14 decision to be included in the commemorative collegiate license
15 plate program and submit its distinctive design for the logotype,
16 motto, symbol, or other design. However, no public or private
17 postsecondary educational institution may be included in the
18 program until not less than 5,000 applications are received for
19 license plates containing that institution's logotype, motto, symbol,
20 or other design. Each participating institution shall collect and hold
21 applications for collegiate license plates until it has received at
22 least 5,000 applications. Once the institution has received at least
23 5,000 applications, it shall submit the applications, along with the
24 necessary fees, to the department. Upon receiving the first
25 application, the institution shall have one calendar year to receive
26 the remaining required applications. If, after that one calendar
27 year, 5,000 applications have not been received, the institution
28 shall refund to all applicants any fees or deposits which have been
29 collected.

30 (c) In addition to the regular fees for an original registration, a
31 renewal of registration, or a transfer of registration, the following
32 commemorative collegiate license plate fees shall be paid:

33 (1) Fifty dollars (\$50) for the initial issuance of the plates. These
34 plates shall be permanent and shall not be required to be replaced.

35 (2) Forty dollars (\$40) for each renewal of registration which
36 includes the continued display of the plates.

37 (3) Fifteen dollars (\$15) for transfer of the plates to another
38 vehicle.

39 (4) Thirty-five dollars (\$35) for replacement plates, if the plates
40 become damaged or unserviceable.

(d) When payment of renewal fees is not required as specified in Section 4000, or when the person determines to retain the commemorative collegiate license plates upon sale, trade, or other release of the vehicle upon which the plates have been displayed, the person shall notify the department and the person may retain the plates.

(e) Of the revenue derived from the additional special fees provided in this section, less costs incurred by the department pursuant to this section, one-half shall be deposited in the California Collegiate License Plate Fund, which is hereby created, and one-half shall be deposited in the ~~Resources License Plate Fund, which is hereby created~~ *California Environmental License Plate Fund*.

(f) The money in the California Collegiate License Plate Fund is, notwithstanding Section 13340 of the Government Code, continuously appropriated to the Controller for allocation as follows:

(1) To the governing body of participating public institutions in the proportion that funds are collected on behalf of each, to be used for need-based scholarships, distributed according to federal student aid guidelines.

(2) With respect to funds collected on behalf of accredited nonprofit, private, and independent colleges and universities in the state, to the California Student Aid Commission for grants to students at those institutions, in the proportion that funds are collected on behalf of each institution, who demonstrate eligibility and need in accordance with the Cal Grant Program pursuant to ~~Article 3 (commencing with Section 69530) of Chapter 2~~ *Chapter 1.7 (commencing with Section 69430)* of Part 42 of the Education Code, but who did not receive an award based on a listing prepared by the California Student Aid Commission.

(g) The scholarships and grants shall be awarded without regard to race, religion, creed, sex, or age.

~~(h) The money in the Resources License Plate Fund is available, upon appropriation, for the purposes of natural resources preservation, enhancement, and restoration.~~

~~(i) All revenues deposited in, and expenditures from, the California Collegiate License Plate Fund shall be audited by the Auditor General on December 1, 1993, and December 1, 1995.~~

1 (h) *The Resources License Plate Fund is hereby abolished and*
2 *all remaining funds shall be transferred to the California*
3 *Environmental License Plate Fund effective July 1, 2014.*

4 SEC. 181. *Section 174 of the Water Code is amended to read:*

5 174. (a) *The Legislature hereby finds and declares that in order*
6 *to provide for the orderly and efficient administration of the water*
7 *resources of the state, it is necessary to establish a control*
8 *board which that shall exercise the adjudicatory and regulatory*
9 *functions of the state in the field of water resources.*

10 It

11 (b) *It is also the intention of the Legislature to combine the*
12 *water rights and the water pollution and water quality functions*
13 *of state government to provide for consideration of water pollution*
14 *and water quality, and availability of unappropriated water*
15 *whenever applications for appropriation of water are granted or*
16 *waste discharge requirements or water quality objectives are*
17 *established.*

18 (c) *This section shall become inoperative on July 1, 2014, and,*
19 *as of January 1, 2015, is repealed, unless a later enacted statute,*
20 *that becomes operative on or before January 1, 2015, deletes or*
21 *extends the dates on which it becomes inoperative and is repealed.*

22 SEC. 182. *Section 174 is added to the Water Code, to read:*

23 174. (a) *The Legislature hereby finds and declares that in*
24 *order to provide for the orderly and efficient administration of the*
25 *water resources of the state, it is necessary to establish a control*
26 *board that shall exercise the adjudicatory and regulatory functions*
27 *of the state in the field of water resources.*

28 (b) *It is also the intention of the Legislature to combine the*
29 *water rights, water quality, and drinking water functions of the*
30 *state government to provide for coordinated consideration of water*
31 *rights, water quality, and safe and reliable drinking water.*

32 (c) *This section shall become operative on July 1, 2014.*

33 SEC. 183. *Section 10783 of the Water Code is amended to*
34 *read:*

35 10783. (a) *The Legislature finds and declares that protecting*
36 *the state's groundwater for beneficial use, particularly sources and*
37 *potential sources of drinking water, is of paramount concern.*

38 (b) *The Legislature further finds and declares that strategic,*
39 *scientifically based groundwater monitoring of the state's oil and*

1 gas fields is critical to allaying the public's concerns regarding
2 well stimulation treatments of oil and gas wells.

3 (c) On or before July 1, 2015, in order to assess the potential
4 effects of well stimulation treatments, as defined in Article 3
5 (commencing with Section 3150) of Chapter 1 of Division 3 of
6 the Public Resources Code, on the state's groundwater resources
7 in a systematic way, the state board shall develop model
8 groundwater monitoring ~~criteria~~ *criteria*, to be implemented either
9 on a well-by-well basis for a well subject to well stimulation
10 ~~treatment~~, *treatment* or on a regional scale. The model criteria shall
11 address a range of spatial sampling scales from methods for
12 conducting appropriate monitoring on individual oil and gas wells
13 subject to a well stimulation treatment, to methods for conducting
14 a regional groundwater monitoring program. The state board shall
15 take into consideration the recommendations received pursuant to
16 subdivision (d) and shall include in the model criteria, at a
17 minimum, the components identified in subdivision (f). The state
18 board shall prioritize monitoring of groundwater that is or has the
19 potential to be a source of drinking water, but shall protect all
20 waters designated for any beneficial use.

21 (d) The state board, in consultation with the Department of
22 Conservation, Division of Oil, Gas, and Geothermal Resources,
23 shall seek the advice of experts on the design of the model
24 groundwater monitoring criteria. The experts shall assess and make
25 recommendations to the state board on the model criteria. These
26 recommendations shall prioritize implementation of regional
27 groundwater monitoring programs statewide, as warranted, based
28 upon the prevalence of well stimulation treatments of oil and gas
29 wells and groundwater suitable as a source of drinking water.

30 (e) The state board shall also seek the advice of stakeholders
31 representing the diverse interests of the oil- and gas-producing
32 areas of the state. The stakeholders shall include the oil and gas
33 industry, agriculture, environmental justice, and local government,
34 among others, with regional representation commensurate with
35 the intensity of oil and gas development in that area. The
36 stakeholders shall also make recommendations to the state board
37 regarding the development and implementation of groundwater
38 monitoring criteria, including priority locations for implementation.

39 (f) The scope and nature of the model groundwater monitoring
40 criteria shall include the determination of all of the following:

1 (1) An assessment of the areas to conduct groundwater quality
2 monitoring and their appropriate boundaries.

3 (2) A list of the constituents to measure and assess water quality.

4 (3) The location, depth, and number of monitoring wells
5 necessary to detect groundwater contamination at spatial scales
6 ranging from an individual oil and gas well to a regional
7 groundwater basin including one or more oil and gas fields.

8 (4) The frequency and duration of the monitoring.

9 (5) A threshold criteria indicating a transition from well-by-well
10 monitoring to a regional monitoring program.

11 (6) Data collection and reporting protocols.

12 (7) Public access to the collected data under paragraph (6).

13 (g) Factors to consider in addressing subdivision (f) shall
14 include, but are not limited to, all of the following:

15 (1) The existing quality and existing and potential use of the
16 groundwater.

17 (2) Groundwater that is not a source of drinking water consistent
18 with the United States Environmental Protection Agency's
19 definition of an Underground Source of Drinking Water as
20 containing less than 10,000 milligrams per liter total dissolved
21 solids in groundwater (40 C.F.R. 144.3), including exempt aquifers
22 pursuant to Section 146.4 of Title 40 of the Code of Federal
23 Regulations.

24 (3) Proximity to human population, public water service wells,
25 and private groundwater use, if known.

26 (4) The presence of existing oil and gas production fields,
27 including the distribution, physical attributes, and operational status
28 of oil and gas wells therein.

29 (5) Events, including well stimulation treatments and oil and
30 gas well failures, among others, that have the potential to
31 contaminate groundwater, appropriate monitoring to evaluate
32 whether groundwater contamination can be attributable to a
33 particular event, and any monitoring changes necessary if
34 groundwater contamination is observed.

35 (h) (1) On or before January 1, 2016, the state board or
36 appropriate regional board shall begin implementation of the
37 regional groundwater monitoring programs based upon the
38 ~~developed model~~ criteria *developed* under subdivision (c).

39 (2) In the absence of state implementation of a regional
40 groundwater monitoring program, a well owner or operator may

1 develop and implement an area-specific groundwater monitoring
2 ~~program~~ *program, for the purpose of subparagraph (D) of*
3 *paragraph (3) of subdivision (d) of Section 3160 of the Public*
4 *Resources Code*, based upon the ~~developed~~ *model* criteria
5 *developed* under subdivision (c), subject to approval by the state
6 or regional board, ~~if applicable~~, and that meets the requirements
7 of this section.

8 (i) The model criteria for either a well-by-well basis for a well
9 subject to well stimulation treatment, or for a regional groundwater
10 monitoring program, shall be used to satisfy the permitting
11 requirements for well stimulation treatments on oil and gas wells
12 pursuant to Section 3160 of the Public Resources Code. The model
13 criteria used on a well-by-well basis for a well subject to a well
14 stimulation treatment shall be used where no regional groundwater
15 monitoring plan approved by the state or regional board, if
16 applicable, exists and has been implemented by either the state or
17 regional board or the well owner or operator.

18 (j) The model criteria shall accommodate monitoring where
19 surface access is limited. Monitoring is not required for oil and
20 gas wells where the wells do not penetrate groundwater of
21 beneficial use, as determined by a regional water quality control
22 board, or ~~do not~~ *solely* penetrate exempt aquifers pursuant to
23 Section 146.4 of Title 40 of the Code of Federal Regulations.

24 (k) (1) The model criteria and groundwater monitoring
25 programs shall be reviewed and updated periodically, as needed.

26 (2) The use of the United States Environmental Protection
27 Agency's definition of an Underground Source of Drinking Water
28 as containing less than 10,000 milligrams per liter total dissolved
29 solids in groundwater (40 C.F.R. 144.3) and whether exempt
30 aquifers pursuant to Section 146.4 of Title 40 of the Code of
31 Federal Regulations shall be subject to groundwater monitoring
32 shall be reviewed by the state board through a public process on
33 or before January 1, 2020.

34 (l) (1) All groundwater quality data collected pursuant to
35 subparagraph (F) of paragraph (1) of subdivision (d) of Section
36 3160 of the Public Resources Code shall be submitted to the state
37 board in an electronic format that is compatible with the state
38 board's GeoTracker database, following the guidelines detailed in
39 Chapter 30 (commencing with Section 3890) of Division 3 of Title
40 23 of the California Code of Regulations.

(2) A copy of the reported data under paragraph (1) shall be transferred by the state board to a public, nonprofit doctoral-degree-granting educational institution located in the San Joaquin Valley, administered pursuant to Section 9 of Article IX of the California Constitution, in order to form the basis of a comprehensive groundwater quality data repository to promote research, foster interinstitutional collaboration, and seek understanding of the numerous factors influencing the state's groundwater.

(m) The adoption of criteria required pursuant to this section is exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of criteria pursuant to this section shall instead be accomplished by means of a public process reasonably calculated to give those persons interested in their adoption an opportunity to be heard.

SEC. 184. Section 13272 of the Water Code is amended to read:

13272. (a) Except as provided by subdivision (b), any person who, without regard to intent or negligence, causes or permits any oil or petroleum product to be discharged in or on any waters of the state, or discharged or deposited where it is, or probably will be, discharged in or on any waters of the state, shall, as soon as (1) that person has knowledge of the discharge, (2) notification is possible, and (3) notification can be provided without substantially impeding cleanup or other emergency measures, immediately notify the Office of Emergency Services of the discharge in accordance with the spill reporting provision of the California oil spill contingency plan adopted pursuant to Article 3.5 (commencing with Section 8574.1) of Chapter 7 of Division 1 of Title 2 of the Government Code. ~~This section shall not apply to spills of oil into marine waters as defined in subdivision (f) of Section 8670.3 of the Government Code.~~

(b) The notification required by this section shall not apply to a discharge in compliance with waste discharge requirements or other provisions of this division.

(c) Any person who fails to provide the notice required by this section is guilty of a misdemeanor and shall be punished by a fine of not less than five hundred dollars (\$500) or more than five

1 thousand dollars (\$5,000) per day for each day of failure to notify,
2 or imprisonment of not more than one year, or both. Except where
3 a discharge to the waters of this state would have occurred but for
4 cleanup or emergency response by a public agency, this subdivision
5 shall not apply to any discharge to land ~~which~~ *that* does not result
6 in a discharge to the waters of this state. This subdivision shall not
7 apply to any person who is fined by the federal government for a
8 failure to report a discharge of oil.

9 (d) Notification received pursuant to this section or information
10 obtained by use of that notification shall not be used against any
11 person providing the notification in any criminal case, except in
12 a prosecution for perjury or giving a false statement.

13 (e) Immediate notification to the appropriate regional board of
14 the discharge, in accordance with reporting requirements set under
15 Section 13267 or 13383, shall constitute compliance with the
16 requirements of subdivision (a).

17 (f) The reportable quantity for oil or petroleum products shall
18 be one barrel (42 gallons) or more, by direct discharge to the
19 receiving waters, unless a more restrictive reporting standard for
20 a particular body of water is adopted.

21 *SEC. 185. Section 13350 of the Water Code is amended to*
22 *read:*

23 13350. (a) A person who (1) violates a cease and desist order
24 or cleanup and abatement order hereafter issued, reissued, or
25 amended by a regional board or the state board, or (2) in violation
26 of a waste discharge requirement, waiver condition, certification,
27 or other order or prohibition issued, reissued, or amended by a
28 regional board or the state board, discharges waste, or causes or
29 permits waste to be deposited where it is discharged, into the waters
30 of the state, or (3) causes or permits any oil or any residuary
31 product of petroleum to be deposited in or on any of the waters of
32 the state, except in accordance with waste discharge requirements
33 or other actions or provisions of this division, shall be liable civilly,
34 and remedies may be proposed, in accordance with subdivision
35 (d) or (e).

36 (b) (1) A person who, without regard to intent or negligence,
37 causes or permits a hazardous substance to be discharged in or on
38 any of the waters of the state, except in accordance with waste
39 discharge requirements or other provisions of this division, shall
40 be strictly liable civilly in accordance with subdivision (d) or (e).

1 (2) For purposes of this subdivision, the term “discharge”
2 includes only those discharges for which Section 13260 directs
3 that a report of waste discharge shall be filed with the regional
4 board.

5 (3) For purposes of this subdivision, the term “discharge” does
6 not include an emission excluded from the applicability of Section
7 311 of the Clean Water Act (33 U.S.C. Sec. 1321) pursuant to
8 Environmental Protection Agency regulations interpreting Section
9 311(a)(2) of the Clean Water Act (33 U.S.C. Sec. 1321(a)(2)).

10 (c) A person shall not be liable under subdivision (b) if the
11 discharge is caused solely by any one or combination of the
12 following:

13 (1) An act of war.

14 (2) An unanticipated grave natural disaster or other natural
15 phenomenon of an exceptional, inevitable, and irresistible
16 character, the effects of which could not have been prevented or
17 avoided by the exercise of due care or foresight.

18 (3) Negligence on the part of the state, the United States, or any
19 department or agency thereof. However, this paragraph shall not
20 be interpreted to provide the state, the United States, or any
21 department or agency thereof a defense to liability for any
22 discharge caused by its own negligence.

23 (4) An intentional act of a third party, the effects of which could
24 not have been prevented or avoided by the exercise of due care or
25 foresight.

26 (5) Any other circumstance or event that causes the discharge
27 despite the exercise of every reasonable precaution to prevent or
28 mitigate the discharge.

29 (d) The court may impose civil liability either on a daily basis
30 or on a per gallon basis, but not on both.

31 (1) The civil liability on a daily basis shall not exceed fifteen
32 thousand dollars (\$15,000) for each day the violation occurs.

33 (2) The civil liability on a per gallon basis shall not exceed
34 twenty dollars (\$20) for each gallon of waste discharged.

35 (e) The state board or a regional board may impose civil liability
36 administratively pursuant to Article 2.5 (commencing with Section
37 13323) of Chapter 5 either on a daily basis or on a per gallon basis,
38 but not on both.

39 (1) The civil liability on a daily basis shall not exceed five
40 thousand dollars (\$5,000) for each day the violation occurs.

1 (A) When there is a discharge, and a cleanup and abatement
2 order is issued, except as provided in subdivision (f), the civil
3 liability shall not be less than five hundred dollars (\$500) for each
4 day in which the discharge occurs and for each day the cleanup
5 and abatement order is violated.

6 (B) When there is no discharge, but an order issued by the
7 regional board is violated, except as provided in subdivision (f),
8 the civil liability shall not be less than one hundred dollars (\$100)
9 for each day in which the violation occurs.

10 (2) The civil liability on a per gallon basis shall not exceed ten
11 dollars (\$10) for each gallon of waste discharged.

12 (f) A regional board shall not administratively impose civil
13 liability in accordance with paragraph (1) of subdivision (e) in an
14 amount less than the minimum amount specified, unless the
15 regional board makes express findings setting forth the reasons
16 for its action based upon the specific factors required to be
17 considered pursuant to Section 13327.

18 (g) The Attorney General, upon request of a regional board or
19 the state board, shall petition the superior court to impose, assess,
20 and recover the sums. Except in the case of a violation of a cease
21 and desist order, a regional board or the state board shall make the
22 request only after a hearing, with due notice of the hearing given
23 to all affected persons. In determining the amount to be imposed,
24 assessed, or recovered, the court shall be subject to Section 13351.

25 (h) Article 3 (commencing with Section 13330) and Article 6
26 (commencing with Section 13360) apply to proceedings to impose,
27 assess, and recover an amount pursuant to this article.

28 (i) A person who incurs any liability established under this
29 section shall be entitled to contribution for that liability from a
30 third party, in an action in the superior court and upon proof that
31 the discharge was caused in whole or in part by an act or omission
32 of the third party, to the extent that the discharge is caused by the
33 act or omission of the third party, in accordance with the principles
34 of comparative fault.

35 (j) Remedies under this section are in addition to, and do not
36 supersede or limit, any and all other remedies, civil or criminal,
37 except that no liability shall be recoverable under subdivision (b)
38 for any discharge for which liability is recovered under Section
39 13385.

(k) Notwithstanding any other law, all funds generated by the imposition of liabilities pursuant to this section shall be deposited into the Waste Discharge Permit Fund. These moneys shall be separately accounted for, and shall be ~~expended by the state board,~~ *available for expenditure*, upon appropriation by the Legislature, *for the following purposes:*

(1) To the state board to assist regional boards, and other public agencies with authority to clean up waste or abate the effects of the waste, in cleaning up or abating the effects of the waste on waters of the state, or for the purposes authorized in Section 13443, or to assist in implementing Chapter 7.3 (commencing with Section 13560).

(2) Up to five hundred thousand dollars (\$500,000) per fiscal year, to assist the Department of Fish and Wildlife to address the impacts of marijuana cultivation on the natural resources of the state.

(l) This section shall remain in effect only until July 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2017, deletes or extends that date.

SEC. 186. Section 13350 is added to the Water Code, to read:

13350. (a) A person who (1) violates a cease and desist order or cleanup and abatement order hereafter issued, reissued, or amended by a regional board or the state board, or (2) in violation of a waste discharge requirement, waiver condition, certification, or other order or prohibition issued, reissued, or amended by a regional board or the state board, discharges waste, or causes or permits waste to be deposited where it is discharged, into the waters of the state, or (3) causes or permits any oil or any residuary product of petroleum to be deposited in or on any of the waters of the state, except in accordance with waste discharge requirements or other actions or provisions of this division, shall be liable civilly, and remedies may be proposed, in accordance with subdivision (d) or (e).

(b) (1) A person who, without regard to intent or negligence, causes or permits a hazardous substance to be discharged in or on any of the waters of the state, except in accordance with waste discharge requirements or other provisions of this division, shall be strictly liable civilly in accordance with subdivision (d) or (e).

(2) For purposes of this subdivision, the term “discharge” includes only those discharges for which Section 13260 directs

1 *that a report of waste discharge shall be filed with the regional*
2 *board.*

3 *(3) For purposes of this subdivision, the term “discharge” does*
4 *not include an emission excluded from the applicability of Section*
5 *311 of the Clean Water Act (33 U.S.C. Sec. 1321) pursuant to*
6 *Environmental Protection Agency regulations interpreting Section*
7 *311(a)(2) of the Clean Water Act (33 U.S.C. Sec. 1321(a)(2)).*

8 *(c) A person shall not be liable under subdivision (b) if the*
9 *discharge is caused solely by any one or combination of the*
10 *following:*

11 *(1) An act of war.*

12 *(2) An unanticipated grave natural disaster or other natural*
13 *phenomenon of an exceptional, inevitable, and irresistible*
14 *character; the effects of which could not have been prevented or*
15 *avoided by the exercise of due care or foresight.*

16 *(3) Negligence on the part of the state, the United States, or any*
17 *department or agency thereof. However, this paragraph shall not*
18 *be interpreted to provide the state, the United States, or any*
19 *department or agency thereof a defense to liability for any*
20 *discharge caused by its own negligence.*

21 *(4) An intentional act of a third party, the effects of which could*
22 *not have been prevented or avoided by the exercise of due care or*
23 *foresight.*

24 *(5) Any other circumstance or event that causes the discharge*
25 *despite the exercise of every reasonable precaution to prevent or*
26 *mitigate the discharge.*

27 *(d) The court may impose civil liability either on a daily basis*
28 *or on a per gallon basis, but not on both.*

29 *(1) The civil liability on a daily basis shall not exceed fifteen*
30 *thousand dollars (\$15,000) for each day the violation occurs.*

31 *(2) The civil liability on a per gallon basis shall not exceed*
32 *twenty dollars (\$20) for each gallon of waste discharged.*

33 *(e) The state board or a regional board may impose civil liability*
34 *administratively pursuant to Article 2.5 (commencing with Section*
35 *13323) of Chapter 5 either on a daily basis or on a per gallon*
36 *basis, but not on both.*

37 *(1) The civil liability on a daily basis shall not exceed five*
38 *thousand dollars (\$5,000) for each day the violation occurs.*

39 *(A) When there is a discharge, and a cleanup and abatement*
40 *order is issued, except as provided in subdivision (f), the civil*

1 liability shall not be less than five hundred dollars (\$500) for each
2 day in which the discharge occurs and for each day the cleanup
3 and abatement order is violated.

4 (B) When there is no discharge, but an order issued by the
5 regional board is violated, except as provided in subdivision (f),
6 the civil liability shall not be less than one hundred dollars (\$100)
7 for each day in which the violation occurs.

8 (2) The civil liability on a per gallon basis shall not exceed ten
9 dollars (\$10) for each gallon of waste discharged.

10 (f) A regional board shall not administratively impose civil
11 liability in accordance with paragraph (1) of subdivision (e) in an
12 amount less than the minimum amount specified, unless the
13 regional board makes express findings setting forth the reasons
14 for its action based upon the specific factors required to be
15 considered pursuant to Section 13327.

16 (g) The Attorney General, upon request of a regional board or
17 the state board, shall petition the superior court to impose, assess,
18 and recover the sums. Except in the case of a violation of a cease
19 and desist order, a regional board or the state board shall make
20 the request only after a hearing, with due notice of the hearing
21 given to all affected persons. In determining the amount to be
22 imposed, assessed, or recovered, the court shall be subject to
23 Section 13351.

24 (h) Article 3 (commencing with Section 13330) and Article 6
25 (commencing with Section 13360) apply to proceedings to impose,
26 assess, and recover an amount pursuant to this article.

27 (i) A person who incurs any liability established under this
28 section shall be entitled to contribution for that liability from a
29 third party, in an action in the superior court and upon proof that
30 the discharge was caused in whole or in part by an act or omission
31 of the third party, to the extent that the discharge is caused by the
32 act or omission of the third party, in accordance with the principles
33 of comparative fault.

34 (j) Remedies under this section are in addition to, and do not
35 supersede or limit, any and all other remedies, civil or criminal,
36 except that no liability shall be recoverable under subdivision (b)
37 for any discharge for which liability is recovered under Section
38 13385.

39 (k) Notwithstanding any other law, all funds generated by the
40 imposition of liabilities pursuant to this section shall be deposited

1 *into the Waste Discharge Permit Fund. These moneys shall be*
2 *separately accounted for, and shall be expended by the state board,*
3 *upon appropriation by the Legislature, to assist regional boards,*
4 *and other public agencies with authority to clean up waste or abate*
5 *the effects of the waste, in cleaning up or abating the effects of the*
6 *waste on waters of the state, or for the purposes authorized in*
7 *Section 13443, or to assist in implementing Chapter 7.3*
8 *(commencing with Section 13560).*

9 *(l) This section shall become operative on July 1, 2017.*

10 *SEC. 187. Section 13478 of the Water Code is amended to*
11 *read:*

12 13478. (a) The board may undertake any of the following:

13 ~~(a)~~

14 (1) Enter into agreements with the federal government for
15 federal contributions to the fund.

16 ~~(b)~~

17 (2) Accept federal contributions to the fund.

18 ~~(c)~~

19 (3) Enter into an agreement with, and accept matching funds
20 from, a municipality. A municipality that seeks to enter into an
21 agreement with the board and provide matching funds pursuant to
22 this subdivision shall provide to the board evidence of the
23 availability of those funds in the form of a written resolution
24 adopted by the governing body of the municipality before it
25 requests a preliminary financial assistance commitment.

26 ~~(d)~~

27 (4) Use moneys in the fund for the purposes permitted by the
28 federal act.

29 ~~(e)~~

30 (5) Provide for the deposit of matching funds and any other
31 available and necessary moneys into the fund.

32 ~~(f)~~

33 (6) Make requests on behalf of the state for deposit into the fund
34 of available federal moneys under the federal act and determine
35 on behalf of the state appropriate maintenance of progress toward
36 compliance with the enforceable deadlines, goals, and requirements
37 of the federal act.

38 ~~(g)~~

39 (7) Determine on behalf of the state that publicly owned
40 treatment works that receive financial assistance from the fund

1 will meet the requirements of, and otherwise be treated as required
2 by, the federal act.

3 ~~(h)~~

4 (8) Provide for appropriate audit, accounting, and fiscal
5 management services, plans, and reports relative to the fund.

6 ~~(i)~~

7 (9) Take additional incidental action as appropriate for the
8 adequate administration and operation of the fund.

9 ~~(j)~~

10 (10) Charge municipalities that elect to provide matching funds
11 a fee to cover the actual cost of obtaining the federal funds pursuant
12 to Section 603(d)(7) of the federal act (33 U.S.C. Sec. 1383(d)(7))
13 and processing the financial assistance application. The fee shall
14 be waived by the board if sufficient funds to cover those costs are
15 available from other sources.

16 ~~(k)~~

17 (11) Use money returned to the fund under clause (ii) of
18 subparagraph (D) of paragraph (1) of subdivision (b) of Section
19 13480, and any other source of matching funds, if not prohibited
20 by statute, as matching funds for the federal administrative
21 allowance under Section 603(d)(7) of the federal act (33 U.S.C.
22 Sec. 1383(d)(7)).

23 ~~(l)~~

24 (12) Expend money repaid by financial assistance recipients for
25 financial assistance service under clauses (i) and (ii) of
26 subparagraph (D) of paragraph (1) of subdivision (b) of Section
27 13480 to pay administrative costs incurred by the board under this
28 chapter.

29 *(b) This section shall become inoperative on July 1, 2014, and,*
30 *as of January 1, 2015, is repealed, unless a later enacted statute,*
31 *that becomes operative on or before January 1, 2015, deletes or*
32 *extends the dates on which it becomes inoperative and is repealed.*

33 *SEC. 188. Section 13478 is added to the Water Code, to read:*

34 *13478. (a) The board may undertake any of the following:*

35 *(1) Enter into agreements with the federal government for*
36 *federal contributions to the fund.*

37 *(2) Accept federal contributions to the fund.*

38 *(3) Enter into an agreement with, and accept matching funds*
39 *from, a municipality. A municipality that seeks to enter into an*
40 *agreement with the board and provide matching funds pursuant*

1 to this subdivision shall provide to the board evidence of the
2 availability of those funds in the form of a written resolution
3 adopted by the governing body of the municipality before it
4 requests a preliminary financial assistance commitment.

5 (4) Use moneys in the fund for the purposes permitted by the
6 federal act.

7 (5) Provide for the deposit of matching funds and any other
8 available and necessary moneys into the fund.

9 (6) Make requests on behalf of the state for deposit into the fund
10 of available federal moneys under the federal act and determine
11 on behalf of the state appropriate maintenance of progress toward
12 compliance with the enforceable deadlines, goals, and
13 requirements of the federal act.

14 (7) Determine on behalf of the state that publicly owned
15 treatment works that receive financial assistance from the fund
16 will meet the requirements of, and otherwise be treated as required
17 by, the federal act.

18 (8) Provide for appropriate audit, accounting, and fiscal
19 management services, plans, and reports relative to the fund.

20 (9) Take additional incidental action as appropriate for the
21 adequate administration and operation of the fund.

22 (10) Charge municipalities that elect to provide matching funds
23 a fee to cover the actual cost of obtaining the federal funds
24 pursuant to Section 603(d)(7) of the federal act (33 U.S.C. Sec.
25 1383(d)(7)) and processing the financial assistance application.
26 The fee shall be waived by the board if sufficient funds to cover
27 those costs are available from other sources.

28 (11) Use money returned to the fund under clause (ii) of
29 subparagraph (D) of paragraph (1) of subdivision (b) of Section
30 13480, and any other source of matching funds, if not prohibited
31 by statute, as matching funds for the federal administrative
32 allowance under Section 603(d)(7) of the federal act (33 U.S.C.
33 Sec. 1383(d)(7)).

34 (12) Expend money repaid by financial assistance recipients
35 for financial assistance service under clauses (i) and (ii) of
36 subparagraph (D) of paragraph (1) of subdivision (b) of Section
37 13480 to pay administrative costs incurred by the board under
38 this chapter.

39 (13) Engage in the transfer of capitalization grant funds, as
40 authorized by Section 35.3530(c) of Title 40 of the Code of Federal

1 *Regulations and reauthorized by Public Law 109-54, to the extent*
2 *set forth in an Intended Use Plan, that shall be subject to approval*
3 *by the board.*

4 *(14) Cross-collateralize revenue bonds with the Safe Drinking*
5 *Water State Revolving Fund created pursuant to Section 116760.30*
6 *of the Health and Safety Code, as authorized by Section 35.3530(d)*
7 *of Title 40 of the Code of Federal Regulations.*

8 *(b) This section shall become operative on July 1, 2014.*

9 *SEC. 189. Section 13485 of the Water Code is amended to*
10 *read:*

11 *13485. (a) The board may adopt rules and regulations*
12 *necessary or convenient to implement this chapter and to meet*
13 *federal requirements pursuant to the federal act.*

14 *(b) This section shall become inoperative on July 1, 2014, and,*
15 *as of January 1, 2015, is repealed, unless a later enacted statute,*
16 *that becomes operative on or before January 1, 2015, deletes or*
17 *extends the dates on which it becomes inoperative and is repealed.*

18 *SEC. 190. Section 13485 is added to the Water Code, to read:*

19 *13485. (a) The board may adopt rules and regulations*
20 *necessary or convenient to implement this chapter and to meet*
21 *federal requirements pursuant to the federal act.*

22 *(b) The board may implement this chapter through a policy*
23 *handbook that shall not be subject to the requirements of Chapter*
24 *3.5 (commencing with Section 11340) of Part 1 of Division 3 of*
25 *the Government Code.*

26 *(c) This section shall become operative on July 1, 2014.*

27 *SEC. 191. Section 13528.5 is added to the Water Code, to read:*

28 *13528.5. (a) The state board may carry out the duties and*
29 *authority granted to a regional board pursuant to this chapter.*

30 *(b) This section shall become operative on July 1, 2014.*

31 *SEC. 192. (a) The Director of Finance may make available*
32 *for expenditure in the 2014–15 fiscal year from the Oil Spill*
33 *Prevention and Administration Fund, established pursuant to*
34 *Section 8670.38 of the Government Code, an augmentation of Item*
35 *0860-001-0320 of the Budget Act of 2014 in an amount equal to*
36 *the reasonable costs incurred by the State Board of Equalization*
37 *associated with amendments made to Section 8670.40 of the*
38 *Government Code in the 2013–14 Regular Session.*

1 (b) Any augmentation shall be authorized no sooner than 30
2 days following the transmittal of the approval to the Chairperson
3 of the Joint Legislative Budget Committee.

4 SEC. 193. Notwithstanding any other law, the unencumbered
5 balance of the appropriation provided for in Item 4265-111-0001
6 of Chapter 2 of the Statutes of 2014, for the purposes specified in
7 Provision 3 of that item, is hereby appropriated to the State Water
8 Resources Control Board, as of June 30, 2014. This fund shall be
9 available for encumbrance or expenditure until June 30, 2016, for
10 purposes consistent with subdivisions (a) and (c) of Section 75021
11 of the Public Resources Code for grants pursuant to the Public
12 Water System Drought Emergency Funding Guidelines adopted
13 by the State Department of Public Health on March 28, 2014, for
14 public water systems to address drought-related drinking water
15 emergencies. The State Water Resources Control Board shall make
16 every effort to use other funds available to address drinking water
17 emergencies, including federal funds made available for the
18 drought prior to using the funds specified in this section.

19 SEC. 194. No reimbursement is required by this act pursuant
20 to Section 6 of Article XIII B of the California Constitution because
21 the only costs that may be incurred by a local agency or school
22 district will be incurred because this act creates a new crime or
23 infraction, eliminates a crime or infraction, or changes the penalty
24 for a crime or infraction, within the meaning of Section 17556 of
25 the Government Code, or changes the definition of a crime within
26 the meaning of Section 6 of Article XIII B of the California
27 Constitution.

28 SEC. 195. This act is a bill providing for appropriations related
29 to the Budget Bill within the meaning of subdivision (e) of Section
30 12 of Article IV of the California Constitution, has been identified
31 as related to the budget in the Budget Bill, and shall take effect
32 immediately.

33 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
34 ~~changes relating to the Budget Act of 2014.~~